



**Auditor of State
Betty Montgomery**

CLERMONT COUNTY

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CLERMONT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005

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
Teen Screen Program	N/A	93.958	10,000
ACT Center and Network	N/A	93.958	182,051
ACT Peer Support	N/A	93.958	20,051
Health Young	N/A	93.958	1,000
HRSA-All Hazards	N/A	93.958	6,981
FAST\$	N/A	93.958	59,934
Total Block Grants for Community Mental Health Services			<u>399,225</u>
<i>Passed Through Ohio Department of Mental Health:</i>			
Medicaid Assistance Program (Title XIX)	N/A	93.778	3,048,892
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Medicaid Assistance Program (Title XIX)	N/A	93.778	1,894,572
Medicaid Assistance Program (Title XIX)-audit settlement			1,197,392
Title XIX - Targeted Case Management	N/A	93.778	204,636
Title XIX - Service Coordination	N/A	93.778	10,314
Title XIX - Waiver Administration	N/A	93.778	136,942
Total Medical Assistance Program (Title XIX)			<u>6,492,748</u>
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Title XXI - State Children's Insurance Program	N/A	93.767	3,348
<i>Passed Through Ohio Department of Mental Health:</i>			
Social Services Block Grant (Title XX)	N/A	93.667	114,441
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Social Services Block Grant	N/A	93.667	117,723
Total Social Services Block Grant (Title XX)			<u>232,164</u>
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Women's Outreach Services	N/A	93.959	104,455
TASC	N/A	93.959	204,564
Per Capita Treatment/Prevention	N/A	93.959	566,738
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>875,757</u>
<i>Passed through Ohio Department of Job and Family Services</i>			
Child Abuse and Neglect State Grants	N/A	93.669	2,000
Independent Living/Chaffee	N/A	93.674	74,892
Consolidated Knowledge Development & Application (KD&A) Program	N/A	93.230	296,864
<i>Passed Through Ohio Department of Mental Health:</i>			
MHBG Child/Adol	N/A	93.929	21,553
MHBG Comm Plan	N/A	93.929	55,866
			<u>77,419</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>8,454,417</u>
			(Continued)

CLERMONT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<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	222,043
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Safe & Drug Free Schools & Communities: State Grants	N/A	84.186A	41,970
Celebrating Families	N/A	84.186A	74,380
			<u>116,350</u>
<i>Passed through Ohio Department of Education</i>			
Title V - Innovative Planning	N/A	84.298	241
Special Education: Grants to States	N/A	84.027	53,653
			<u>53,653</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			392,287
<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	33,463
National School Breakfast Program	N/A	10.553	15,054
Total Nutrition Cluster			<u>48,517</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			48,517
<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	91,792
<i>Passed through Ohio Department of Transportation</i>			
Branch Hill Guinea Pike Imp. (Loveland Miamiville Rd)	PID 17573	20.205	11,545
Branch Hill Guinea Improvement @ Wards Corner & Cook	PID 10155	20.205	195,683
			<u>207,228</u>
Federal Transit Formula Grant	N/A	20.507	588,551
Federal Transit Capital Investment Grant	N/A	20.500	74,267
			<u>74,267</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			961,838

(Continued)

CLERMONT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>APPALACHIAN REGIONAL COMMISSION</u>			
<i>Passed through Ohio Department of Transportation</i>			
Colugh Pike/McMann Road Intersection	PID 17457	23.008	4,809
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Community Policing Grants (COPS Universal Hiring)	N/A	16.710	7,172
<i>Passed through the Ohio Office of Criminal Justice Services</i>			
Juvenile Accountability Incentive Block Grant - Drug Court	N/A	16.523	19,168
Byrne Formula Grant Program (Drug Control & System Imp)	N/A	16.579	208,030
<i>Passed through the Ohio Attorney General</i>			
Crime Victim Assistance	N/A	16.575	<u>106,971</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			341,341
<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			277,907
Administrative			<u>16,715</u>
Total			294,622
Youth Activities	N/A	17.259	
Program			305,978
Administrative			<u>18,786</u>
Total			324,764
Dislocated Worker	N/A	17.260	
Program			353,705
Administrative			<u>16,295</u>
Total			<u>370,000</u>
Total Workforce Investment Act Cluster			<u>989,386</u>
TOTAL U.S. DEPARTMENT OF LABOR			989,386
<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	695,874
HOME Investment Partnership Program	N/A	14.239	<u>174,995</u>
TOTAL U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT			870,869

(Continued)

CLERMONT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<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	1,183,994
Hazardous Materials Assistance Program	N/A	97.021	8,042
Emergency Management Performance Grants	N/A	97.042	51,845
Hazard Mitigation Grant	N/A	97.039	191,939
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>1,435,820</u>
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
<i>Passed through the Ohio Community Service Council</i>			
AmeriCorps	N/A	94.006	27,272
<u>GENERAL SERVICES ADMINISTRATION</u>			
<i>Passed through the Secretary of State of Ohio</i>			
Election Reform - Voter Registration System	N/A	39.011	125,585
<u>ELECTION ASSISTANCE COMMISSION</u>			
<i>Passed through the Secretary of State of Ohio</i>			
Help America Vote Act	N/A	90.401	<u>1,737,871</u>
TOTAL			<u>\$ 15,390,012</u>

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

CLERMONT COUNTY

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
FISCAL YEAR ENDED DECEMBER 31, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - SUBRECIPIENTS

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

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

NOTE C - 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 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.

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Auditor of State Betty Montgomery

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

Clermont County
101 East Main Street
Batavia, OH 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 (the County) as of and for the year ended December 31, 2005, which collectively comprise the Government's basic financial statements, and have issued our report thereon dated June 2, 2006. 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 opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the County's management dated June 2, 2006, we reported another matter involving internal control over financial reporting we did not deem a reportable condition.

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*. In a separate letter to the County's management dated June 2, 2006, we reported another matter related to noncompliance we deemed immaterial.

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, 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

June 2, 2006



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, 2005. 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.

The County's basic financial statements include the operations of the County Sewer and Water Districts, which expended \$133,581 in federal awards which is not included in the Schedule of Federal Awards for the year ended December 31, 2005. Our audit of Federal awards, described below, did not include the operations of the County Sewer and Water Districts because the Sewer and Water Districts engaged another auditor to audit their operations and because they expended less than \$500,000 of Federal awards for the year ended December 31, 2005, and was not subject to OMB Circular A-133 audit requirements.

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, Clermont 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, 2005.

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 December 31, 2005, and have issued our report thereon dated June 2, 2006. 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 Government'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, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

June 2, 2006

CLERMONT COUNTY

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2005**

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 noncompliance 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 Federal Transit Cluster – CFDA # 20.500; 20.507 Block Grant for Prevention & Treatment of Substance Abuse – CFDA # 93.959 State Domestic Preparedness Equipment Support – CFDA # 97.004 Help America Vote Act – CFDA # 40.401
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 461,700 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

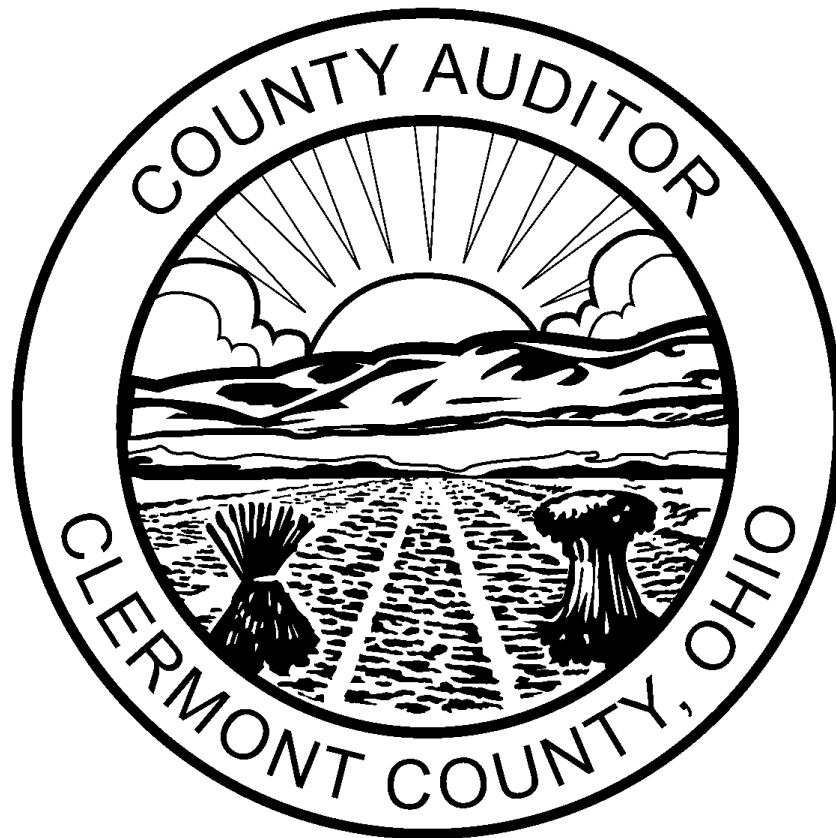
**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

CLERMONT COUNTY, OHIO



LINDA L. FRALEY, AUDITOR

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2005

**CLERMONT COUNTY,
OHIO
COMPREHENSIVE ANNUAL
FINANCIAL
REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2005**

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

INTRODUCTORY SECTION

**CLERMONT COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2005**

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Linda L. Fraley

Clermont County Auditor

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

June 2, 2006

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for Clermont County, Ohio. This report, for the year ended December 31, 2005, 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.

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, organizational chart, list of elected officials and a Certificate of Achievement for Excellence in Financial Reporting for the 2004 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 2005. 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 190,589. 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 1.99% 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 5.4% at December 31, 2005 compares to 5.5% for the State of Ohio and 4.7% for the United States.

Clermont County's tax base includes 57 companies with 100 or more employees including Cinergy Corporation (Greater Cincinnati) - 4,700 employees, Cincinnati Bell Telephone (Greater Cincinnati) - 2,700 employees, Batavia Transmissions LLC - 1,160 employees, The Midland Company - 1,000 employees, Milacron - 669 employees, UGS corporation - 650 employees and the Jeff Wyler Dealer Group - 639 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 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 7,278 businesses located in Clermont County including 2,687 service businesses, 1,651 retail and wholesale enterprises, 1,023 construction related business and 418 manufacturing companies. Some of the largest employers in the County are Batavia Transmissions LLC, which operates an automotive transmission plant; 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.

Large retailers have also located throughout the County to take advantage of the rapid population growth, housing increases and strong community demographics. These include companies such as J.C. Penney, Sears Roebuck and Co., Dillard's, Kohl's, Office Max, Circuit City, H.H. Gregg, Wal-Mart, Meijer, Value City, Home Depot, Lowe's Home Improvement, K-Mart, Sam's Club, Dick's Sporting Goods, Best Buy, Michaels, Hobby Lobby, Bigg's, Borders, Target, PetSmart, Toys R Us, Kroger, and others. Wal-Mart recently completed the construction of super stores located on state route 125 and in the Eastgate area. These super stores will provide an influx of potential sales revenue to the County.

The largest number of businesses are located in the areas of Union, Miami and Batavia Townships because of transportation 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. The sales tax generated by the retail establishments in these areas comprises a significant portion of Clermont County's general fund revenues.

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, Siemens, 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.

In the County's northern Miami Township area at the State Route 28 interchange of I-275 is a growing retail location including a new Lowe's home improvement store that opened in 2003. International House of Pancakes, Chipotle, and other restaurants and a Holiday Inn hotel are included at this interchange. Further east on SR28 the Mulberry Square Shopping area includes large retailers such as Kroger, Kohl's, Sears Hardware, Meijer and Home Depot. Mulberry area restaurants include Applebee's, O'Charley's

and other fast food establishments. This area has 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.

Clermont County Milford Commerce Park is a 250 acre mixed business development, which is designed for office, research, hotel, and light industrial purposes and 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, Mio's, Cold Stone Creamery, Red Robin Restaurant, and in 2006 Quaker Steak.

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 renovation project, and most recently, Bigg's Place mall recently completed a \$6 million upgrade.

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), 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.

Another area of significant economic activity is located in the Village of Williamsburg and Williamsburg Township. Milacron, Georgia Pacific, 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.

Since the inception of the Rural Enterprise Zone Program, Clermont County has granted 153 tax abatements to attract new employment and capital investments. These 153 transactions have generated more than 6,585 new jobs, retained more than 16,372 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 real property valuation distribution move from a 72% residential / 28% commercial allocation to a 79% residential / 21% commercial distribution. As of year-end 2005, the average price of a residential transfer in Clermont County was \$173,500. 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 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 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 fluctuate and the County's portion of state-based program revenue will be affected by the fiscal year 2007 State budget bill.

Recent expenditures related to economic development, 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 has maintained its Budget Stabilization fund to safeguard against future economic factors. The \$16.0 million unreserved fund balance on the modified accrual basis of accounting at December 31, 2005 represents 30.5% of 2005 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: In 2005, the County Auditor's office received its fifth consecutive Certificate of Achievement for Excellence in Financial Reporting for its Popular Annual Financial Report (PAFR). The PAFR provides a brief analysis of how well the County is doing in a condensed and more easily readable report. In addition, the County Auditor's Office successfully completed a state mandated update of real estate values in 2005. This update is based on sales for 2002, 2003 and 2004. The taxable value of real estate increased 12.9% to \$3.77 billion dollars. New construction accounted for 3% of this increase (\$100.76 million) and 9.4% was due to the state mandated adjustment. The Auditor's real estate web site (www.clermontauditorrealestate.org) continues to be a comprehensive source of property data, taxes and land information.

Department of Job and Family Services

The **Children's Protective Services (CPS)** Division continued to closely manage the process of placing abused and neglected children in appropriate home settings as the number of placements continued to grow. CPS now provides more intensive up front services to families to enhance the way to permanency for children. A record number of adoptions were also achieved in 2005 and the number of licensed foster parents increased by 15%.

The **Employment Services** Division (ES) provided critically needed health & nutrition, financial, employment and child care services to thousands of low income families while caseloads continued to grow. With a 133% increase in the Medicaid caseload since 1997, ES has focused on case management and quality control while recovering a record \$317,105 in over-issued benefits.

The department was very active in local **Workforce Development** during 2005 with the formation of a partnership with Butler and Warren counties to form the 5th largest local workforce development region in Ohio. Dubbed Workforce One, the new partnership is comprised of leaders from business, education, labor and government with private sector business forming the majority of the Workforce One board.

Through an innovative program that current law provides, the **Child Support Enforcement** (CSE) Division filed 610 administrative liens on personal and real property against individuals who have failed in their obligation to pay child support for their children. This program, in cooperation with the Recorder's Office, represents \$7,848,197 in outstanding child support arrears. Total collections for the CSE division amounted to \$36,304,266 in child support payments in 2005.

Domestic Relations Court: The Domestic Relations Court heard over 4300 filings in 2005 and disposed over 3,400 of those filings. The Court heard 820 civil protection petitions and 11% of those filed were dismissed. Twenty-four families attended the KIDS (Kids in Divorce Situation) program and 105 families attended mediation and as a result, many lengthy and costly contested custody/parenting situations were avoided. The Court website had over a million hits for 2005. The website can be found at www.domesticcourt.org.

Department of Public Safety Services: The Clermont County Department of Public Safety Services continues to work on redundancy of the 9-1-1 and communication system. This year is bench marked by completion of step 2, of 3 steps with Clermont, Northeast and Union Township Communications Centers being able to answer each others 9-1-1 calls and dispatching all responders on the same radio communications system. The Terrorism Advisory Team, appointed in 2003 by the Board of County Commissioners was instrumental in using Department of Homeland Security Grand Funding to offset the use of local tax dollars for this project.

Department of Economic Development: In 2005, Clermont County saw significant increases in job creation and investment over previous years. New and expanded businesses created 482 jobs and invested \$71.7 million in the County. The Office of Economic Development (OED) assisted the Clermont County CIC and ED3C to complete a strategic plan and property analysis to identify the best areas for the County's future economic growth. The office also began visiting existing companies as part of a program to retain businesses and strengthen communication with the business community. The OED initiated a new marketing effort to raise the county's profile, including launching the website www.ClermontCountyOhio.biz, which features a searchable database of available commercial property.

Department of Environmental Quality: In 2005, Clermont County continued its efforts to identify new locations for recycling drop-off boxes in order to meet its goal of making recycling easily accessible to all county residents. As in past years, the County teamed with various agencies and organizations for several neighborhood clean-ups, the East Fork River Sweep and the Ohio River Sweep. Two hundred and thirty-five 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. From April through October, the county once again conducted extensive chemical and biological sampling throughout the county in the tenth year of the county's Water Quality Monitoring Program. The program's goal is to document existing conditions and monitor trends in the quality of the county's aquatic resources, especially as they respond to development activities or remediation and preservation efforts. This information is also being used to develop a Total Maximum Daily Load (TMDL) model for the East Fork Little Miami River watershed to determine maximum allowable pollutant loads and allocate these loads among the various sources, as required by the Clean Water Act.

Municipal Court: In 2005 Clermont County Municipal Court was selected by the Ohio Department of Public Safety, in cooperation with the Ohio Supreme Court to implement one of the first of two (2) DUI Courts in the State of Ohio. The DUI Court is a three (3) year pilot study to determine the effect DUI Courts have on managing repeat drunken drivers referred by Judge Victor M. Haddad, Judge Thomas R. Herman and Judge James A. Shriver. The DUI Court models itself after the highly successful drug court concept that has shown considerable promise in rehabilitating offenders with alcohol and drug addictions and reducing recidivism. Judge Shriver currently presides over DUI Court which meets on a weekly basis. DUI Court offenders are required to report to a probation officer for increased contacts, similar to that of intensive supervision probation (ISP). Offenders are subject to random alcohol monitoring and drug testing, mandatory treatment, and are subject to curfews with or without electronic monitoring. As with drug courts, offenders are required to frequently appear before the DUI Court Judge over a long period of time and receive incentives to reward behavior and/or use graduated sanctions to punish behaviors. The DUI Court project is an innovative judicial approach that not only fosters offender accountability, but has significant research value that is relevant to the State of Ohio in determining what works best for managing DUI offenders.

Department of Community Planning and Development: In 2005, the Board of County Commissioners adopted the new *Clermont County Subdivision Regulations* and the *Subdivision Street Design and Construction Standards for Clermont County, Ohio*. The Department of Community Planning and Development reviewed and the Planning Commission granted conditional approvals for numerous Design Plans, bringing the overall total of conceptually approved lots to more than 2,418 during the calendar year. Of those 2,418 conceptually approved lots, 1,894 lots are either in some stage of construction, or have recently completed construction at the close of the calendar year.

In 2005, the Department of Community Planning & Development administered the Community Development Block Grant (CDBG) Program and the Community Housing Improvement Program (CHIP). The County's FY2005 CDBG Grant was approved and included projects in Wayne Township, Franklin Township, Village of New Richmond, Union Township, Village of Williamsburg and the City of Milford. It also included a septic rehabilitation program to be carried out County-Wide. This program will provide loans to homeowners for septic tank repairs or sewer connections. FY2005 CDBG projects are scheduled to be completed in 2006. The department closed out the FY2003 Grant during 2005, and continued to progress toward the closing out of the FY2004 Grant. The CHIP grant assisted new homeowners with loans to aid with down payments and housing repairs, and also provided loans to current homeowners for building repairs and private rehabilitation.

Sheriff: In 2005, over 386,000 inmate meals were served, which includes 26,000 for the Juvenile Detention Center, at a cost of \$0.95 each. The jail was once again recognized for being in 100% compliance with standards set forth by the Bureau of Adult Detention, as well as being in compliance with the standards of the National Commission on Correctional Health Care. Construction of a 192 bed addition is nearly complete at the northern end of the maximum security section. The "Last Chance" initiative has received attention and praise locally, and this year the program was nominated by the Ohio Department of Public Safety to the Governor's Highway Safety Association for a national traffic safety award. The Clermont County Sheriff's Office was one of only five recipients within the United States selected to receive this prestigious award. In 2005, the Clermont County Narcotics Unit conducted over 900 investigations, and arrested over 180 mid to upper level narcotics traffickers, and removed and/or seized drugs with a street value of \$887,287. A total of forty two drug lab locations were targeted and eighty eight subjects arrested on methamphetamine related charges. The Sheriff's Office again hosted multiple Junior Police Academy summer camps. Several local law enforcement and fire service agencies participated in the four separate camps, targeting youth ages 13 to 18. Ninety Cadets received instruction in crime scene investigation, physical fitness, self defense, investigative skills, traffic safety, fire safety and police techniques.

TASC: In 2005, Clermont County TASC provided assessment and case management services to 413 individuals referred by Municipal and Common Pleas Courts or Probation departments due to alcohol or other drug related problems through our Ohio Department of Alcohol and Drug Addiction Services (ODADAS) funded program. TASC's role in the diversion process contributed to the reduction of approximately 43,534 days of jail or prison time that would have been served by these clients, saving thousands of tax dollars for other critical county services. In addition, we provided assessment and

comprehensive case management services to 129 clients through the Program Restitution and Rehabilitation (PRR)/New Life Project. This research project, funded through a 5-year grant from the federal Substance Abuse and Mental Health Services Administration/Center for Substance Abuse Treatment (SAMHSA/CSAT), is designed to assess the impact of enhanced case management and treatment services at improving outcomes for participants. Individuals who are either granted Intervention in Lieu of Conviction (ILC) status by the court or who are eligible to have their felony record sealed are assisted in achieving an alcohol and/or drug-free lifestyle thereby enabling them to reduce or avoid the stigma of a felony conviction and become more fully productive members of society.

Treasurer: The Clermont County Treasurer's Office continued its aggressive efforts on the collection of taxes. In 2005 the office collected \$184.5 million in real estate taxes, \$1.2 million in manufactured home taxes and \$17.6 million in personal property taxes. A total of 27 real estate tax foreclosures were filed in 2005 and the county's real estate delinquency rate is 1.1%

Water and Sewer: During 2005, the Clermont County Sewer District expended over \$17.8 million in capital improvement projects. These projects include new water mains, a new booster station, elevated water storage tanks, painting of existing tanks, new sewer mains, wastewater treatment plant upgrades, and a flow equalization facility. Most notably, the Sewer District began construction of the Lower East Fork Wastewater Treatment Plant Process Procurement Project and the Hall Run Sanitary Flow Equalization Project. The Hall Run Sanitary Flow Equalization Project consists of replacing over 6,500 feet of sanitary sewer and the construction of a 3 million gallon flow equalization facility near the intersection of SR 32 and Old SR 74. This project will correct two (2) of the remaining five (5) consent orders that were issued by the Environmental Protection Agency in 1989 by eliminating sanitary sewer overflows in the Mt. Carmel vicinity.

The Collections department had a great year in 2005 with the Inflow and Infiltration (I&I) program. There were 161 points of I&I detected and repaired during the year which equates to approximately 1,000,000 gallon reduction in I&I. The success of this program comes from a new plan of action that was executed during 2004.

In 2005, the Storm Water Management Department developed a pilot program to correct drainage problems in six residential areas. To help make this program permanent, Clermont County began exploring the possibility of creating a storm water utility. An advisory committee was created in April to help with this effort. A utility would also allow the County to effectively manage the storm sewer system and to reduce pollutants from entering streams and rivers through storm water runoff. News about the utility and other storm water issues can be found on the new web site launched in 2005 – www.clermontstorm.net.

Common Pleas Court: The General Division of the Common Pleas Court experienced another year of continued caseload growth in 2005. A total of 3,224 new cases were filed, comprised of 2,156 new civil case filings and 1,068 new felony criminal cases. Each Judge averaged 90 new cases per month. In November Judge William Walker spoke to the Ohio Child Support Enforcement Agency Directors' Association (OCDA) regarding innovative approaches initiated in Clermont County to increase collections from criminal non-support offenders. The total child support collections in 2005 through Common Pleas Probation supervision and the diversion programs were in excess of \$1.1 million.

In June of 2005, Judge Robert Ringland was chosen by the Supreme Court to participate in the Advanced Science and Technology Adjudication Resource Project (ASTAR). This educational program began in October and is designed to train judges on the current trends in DNA testing and other medical and scientific technologies being brought to courtrooms in litigation. In February of 2005, Judge Jerry McBride was the coordinator of the Clermont District Mock Trial Competition for high school students, in which students played the role of attorneys and witnesses and argued both sides of a hypothetical case before real attorneys and judges. Judge McBride has been the mock trial coordinator for seven years.

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% since the year 2000, necessitating the establishment of the fourth judgeship.

Future Projects

Construction is nearly complete 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 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 grant and funding from the General Fund. The expanded detention center is expected to be completed by 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." During 2005, the Board of Elections received \$1.7 million worth of voting equipment that will be implemented in the May 2006 election.

Several large road projects in the County are underway, including Branch Hill Guinea Pike and Wards Corner Intersection, Clough Pike and Shayler/McMann Intersection and Elick Lane Improvements at SR 32. These projects are estimated to cost \$1.5 million which will be funded through a combination of federal, state and local dollars.

The County continues to play an active role in the development of the Eastern Corridor Transportation project and the overall economic development of Clermont County. During 2005, the County approved the creation of multiple tax incentive financing districts in order to secure local funding for anticipated infrastructure improvements associated with the Eastern Corridor projects. Those projects collectively are estimated at \$50 million to \$75 million with funding over multiple years from federal, state and local monies. The County's aggressive approach to economic development during 2005, saw the procurement of land purchase contracts and the subsequent encumbrance of \$8.2 million in conjunction with the County's Community Improvement Corporation to develop prime commercial land for potential new business to Clermont County.

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 2005 annual budget for the County in December 2004. 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, 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 investments 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 2005, Clermont County carried comprehensive general liability including law enforcement liability, blanket crime coverage, public officials liability insurance, fleet insurance, and 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, Humana 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 \$685.98 for family coverage and \$326.14 for individual coverage per employee per month which represents 75% of the entire premium required (County employees pay 25%). 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, 2005. 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, 2004. This was the nineteenth 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.

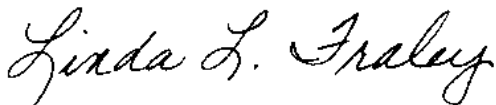
ACKNOWLEDGMENTS

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,



Linda L. Fraley
Clermont County Auditor

**CLERMONT COUNTY, OHIO
ELECTED OFFICIALS**

BOARD OF COUNTY COMMISSIONERS:

Mary Walker President
Robert L. Proud Vice President
R. Scott Croswell 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

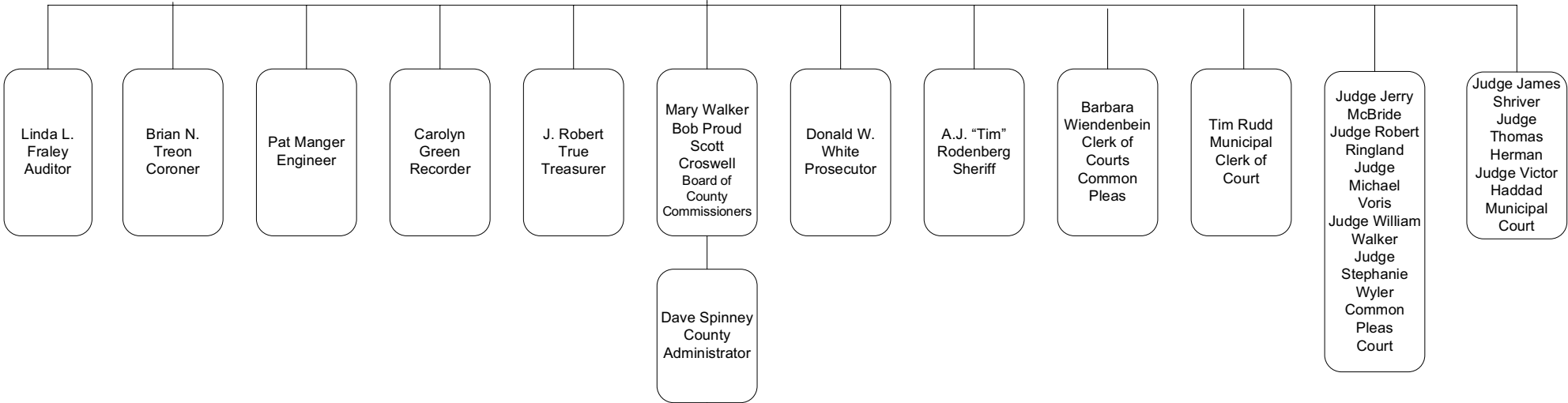
Juvenile and Probate Division:

Stephanie Wyler Judge

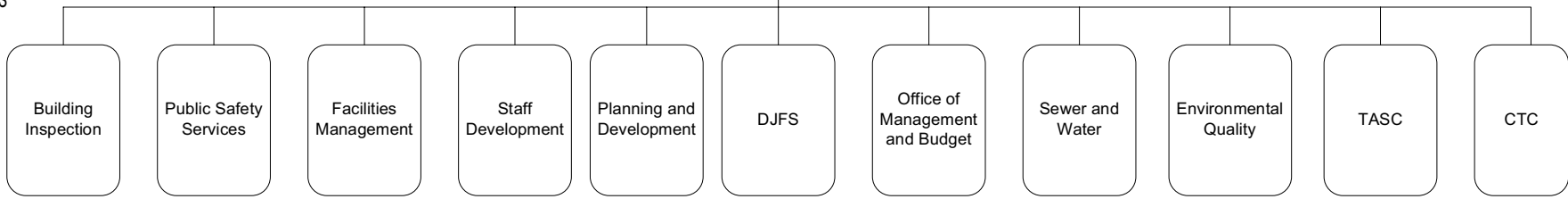
MUNICIPAL COURT

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, 2004

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.



Carla E. Fudge

President

Jeffrey R. Emer

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 year ended December 31, 2005, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison 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 June 2, 2006, 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.

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

June 2, 2006

Clermont County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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, 2005. 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 2005 are as follows:

- ◆ The assets of the County exceeded its liabilities at the close of the year ended December 31, 2005, by \$448.1 million (net assets). Of this amount, \$8.8 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors, and \$80.5 million is classified as unrestricted in the Water and Sewer activities.
- ◆ The County's total net assets increased by \$29.0 million, which represents a 6.9% increase from 2004.
- ◆ At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$59.8 million, a decrease of \$2.9 million from the prior year. Of this amount, \$47.0 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 \$16.0 million, or 30.3% of total general fund expenditures and other financing uses.
- ◆ Clermont County's total debt decreased by \$6.3 million which represents a 5.5% decrease in debt related to governmental activities and a 5.4% decrease in debt related to business-type activities.
- ◆ At the end of 2005, the County encumbered \$8.2 million of the General Fund's fund balance in conjunction with land purchase contracts related to economic development initiatives in western Clermont County.

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
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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 2005?" 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 22.

Clermont County, Ohio
Management's Discussion and Analysis
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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 78-84 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 78 of this report.

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 \$448.1 million (\$197.5 million in governmental activities and \$250.6 million in business-type activities) as of December 31, 2005. The largest portion of the County's net assets (65.5%) 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

Clermont County, Ohio
Management's Discussion and Analysis
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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 2005 compared to 2004.

Table 1
Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets						
Current & Other Assets	\$118.0	\$114.7	\$92.9	\$97.4	\$210.9	\$212.1
Capital Assets, Net	144.2	132.3	239.3	223.2	383.5	355.5
<i>Total Assets</i>	<u>262.2</u>	<u>247.0</u>	<u>332.2</u>	<u>320.6</u>	<u>594.4</u>	<u>567.6</u>
Liabilities						
Current & Other Liabilities	(27.8)	(24.9)	(5.0)	(4.8)	(32.8)	(29.7)
Long-Term Liabilities						
Due Within One Year	(6.5)	(6.0)	(4.1)	(4.0)	(10.6)	(10.0)
Due in More Than One Year	(30.5)	(31.9)	(72.4)	(76.9)	(102.9)	(108.8)
<i>Total Liabilities</i>	<u>(64.8)</u>	<u>(62.8)</u>	<u>(81.5)</u>	<u>(85.7)</u>	<u>(146.3)</u>	<u>(148.5)</u>
Net Assets						
Invested in Capital Assets Net of Debt	130.6	115.2	162.8	142.3	293.4	257.5
Restricted:						
Capital Projects	17.0	19.4	0.0	0.0	17.0	19.4
Debt Service	14.4	12.7	7.3	7.1	21.7	19.8
Other Purposes	26.7	24.8	0.0	0.0	26.7	24.8
Unrestricted	8.8	12.1	80.5	85.5	89.3	97.6
<i>Total Net Assets</i>	<u>\$197.5</u>	<u>\$184.2</u>	<u>\$250.6</u>	<u>\$234.9</u>	<u>\$448.1</u>	<u>\$419.1</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 \$65.4 million or 14.6% of net assets. \$89.3 million or 19.9% 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, 2005, 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 \$26.8 million overall. A \$28 million increase in net capital assets made up the majority of this change combined with a \$1.2 million decrease in other assets. Total liabilities decreased \$2.2 million which can be attributed to the decrease in long term liabilities.

Clermont County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
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Table 2 below provides a summary of the changes in net assets for 2005 compared to 2004.

Table 2
Changes in Net Assets
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Program Revenues:						
Charges for Services	\$25.0	\$23.6	\$25.5	\$25.0	\$50.5	\$48.6
Operating Grants, Contributions and Interest	33.7	30.8	0.0	0.0	33.7	30.8
Capital Grants and Contributions	12.5	11.2	13.2	7.1	25.7	18.3
General Revenues:						
Property Taxes	16.8	16.3	0.0	0.0	16.8	16.3
Sales Taxes	22.8	23.1	0.0	0.0	22.8	23.1
Other Taxes	0.4	0.4	0.0	0.0	0.4	0.4
Unrestricted Grants	5.9	5.8	0.0	0.0	5.9	5.8
Other	3.1	2.4	0.0	0.0	3.1	2.4
Water and Sewer	0.0	0.0	2.3	1.2	2.3	1.2
Total Revenues	120.2	113.6	41.0	33.3	161.2	146.9
Program Expenses						
General Government:						
Legislative and Executive	22.7	18.4	0.0	0.0	22.7	18.4
Judicial System	9.8	8.6	0.0	0.0	9.8	8.6
Public Safety	27.4	25.2	0.0	0.0	27.4	25.2
Public Works	7.6	7.8	0.0	0.0	7.6	7.8
Health	0.6	0.8	0.0	0.0	0.6	0.8
Human Services	30.2	29.7	0.0	0.0	30.2	29.7
Community Development	3.8	2.0	0.0	0.0	3.8	2.0
Transportation	1.6	1.6	0.0	0.0	1.6	1.6
Interest and Fiscal Charges	1.4	1.8	0.0	0.0	1.4	1.8
Water and Sewer	0.0	0.0	27.1	26.0	27.1	26.0
Total Expenses	105.1	95.9	27.1	26.0	132.2	121.9
<i>Increase in Net Assets before Transfers and Gain on Exchange of Capital Assets</i>						
	15.1	17.7	13.9	7.3	29.0	25.0
Transfers	(1.8)	(0.5)	1.8	0.5	0.0	0.0
Gain on Exchange of Capital Assets	0.0	2.6	0.0	0.0	0.0	2.6
Increase in Net Assets	\$13.3	\$19.8	\$15.7	\$7.8	\$29.0	\$27.6

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 2005, this represented 21.6% 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. The \$4.3 million increase in such expenses was directly related to the providing of these services and to equipment purchased under the Help America Vote Act.

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 \$2.2 million. In 2005, homeland security equipment was purchased and the County upgraded the 911 system. The County's Sheriff's office, the Department of Public Safety 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.

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The County's judicial system continues to provide the necessary level of legal control to ensure the public's safety and well being. At the end of 2005, the County's judicial program expenses saw an increase of \$1.2 million from the previous year due to increase in community service programs and other alternative sentencing programs.

The County instituted an aggressive economic development plan in 2005, which saw an increase in the community development program of \$1.8 million over 2004. The County has incorporated the use of several economic business advisement firms to secure for the County the best possible development tools to encourage business development in the County.

The County's 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 human services programs included TANF, Workforce Development, and Children Services programs. Grants and state revenue related to the County's public works program included OPWC grants, highway construction and planning, Motor Vehicle License Tax, and Motor Vehicle Gas Tax accounted for 17.4% of the County's intergovernmental revenue. The Jail expansion project saw \$4.8 million in intergovernmental revenue in 2005. Other significant grants include the Reclaim Ohio/Youth Services Subsidy which accounted for \$1.3 million, the Homeland Security Grants for \$1.3 million and the Help America Vote Act grant for \$1.7 million.

Business-Type Activities

In 2005, the County's Water and Sewer Systems funds' operating revenue increased by \$.6 million and operating expenses increased by \$2.0 million. The County's Water and Sewer operations recorded a decrease of \$1.4 million in operating income from 2004. Capital contributions increased by \$6.1 million as a result of an increase in donated capital. Of the \$13.2 million capital contribution, \$7.9 million represented non-cash or donated assets.

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 \$59.8 million. Approximately \$47.0 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 (\$12.7 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 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.

Clermont County, Ohio
Management's Discussion and Analysis
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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 \$16.0 million, while the total fund balance reached \$24.8 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 30.3% of the total general fund expenditures and other financing uses, while total fund balance represents 47.1% of that same amount.

The fund balance of the County's General Fund decreased by \$1.7 million during the current fiscal year with revenues exceeding expenditures by \$4.8 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.
- ◆ The \$1.9 million increase in legislative and executive programs is related to an increase in utility costs.
- ◆ The County saw an increase in charges for services because of an increase in the conveyance fee rate, sheriff fees, and communication center fees.
- ◆ Transfers were \$6.6 million. Transfers were made for debt service payments, capital projects, and matching requirements for grants.

In 2005, the Motor, Vehicle and Gas fund continued its construction and improvement of County's road and bridges. The timing of receiving the grants for these projects resulted in a \$1.4 million decrease in intergovernmental revenue.

The Social Services fund saw a \$1.7 million increase in intergovernmental revenue in the assistance for needy family programs and in the Workforce Development programs.

The Special Assessment Debt Service fund had an increase in assets and liabilities in the amount of \$1.8 million because of the issuance of a new special assessment bond for various water and sewer projects.

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 2005, 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. A modification to the original budget beyond the Personal Services and Capital Outlay object levels requires the approval of the Board of County Commissioners. 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 individual departments. A summary of noted differences and explanations:

Clermont County, Ohio
Management's Discussion and Analysis
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- ◆ Appropriations in the General Fund increased by \$10.2 million from the original budget to the final budget. Most of this is for land purchase contracts for economic development in western Clermont County.
- ◆ Transfers out budget was increased by \$1.2 million during 2005 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, 2005, amounts to \$383.5 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 2005.

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

- ◆ During 2005, 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 \$6.4 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 2005, approximately 29 miles of County roads were paved at a cost of \$1.1 million.
- ◆ In 2005, the Juvenile Detention Facility was completed at a cost of \$5.8 million. The Facility offers many education and treatment programs for young people.
- ◆ Received \$2.2 million of waterlines from developers.
- ◆ Received \$5.6 million of sewer lines from developers.
- ◆ 2005 also saw the completion of the Deerfield Road Water Main (\$1.7 million), the SR126/Beech Road Main (\$.9 million), and the Shayler Run/Tealtown Sewer Lines (\$.9 million). These improvement projects are for the continuing operation and maintenance of the water mains and sewer lines.

Long-term Debt: At the end of 2005, the County had general obligation debt outstanding of \$32.5 million. Of this amount, \$25.4 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 \$6.8 million is special assessment debt for which the County is liable in the event of default by the property owner subject to the assessment.

The County's long-term general obligation debt decreased by \$1.9 million or 5.5% during the 2005 fiscal year, and the County's Water and Sewer debt decreased \$4.4 million or 5.4%.

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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 \$29.5 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 2005, were \$1.4 million or 1.3% 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 55% 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 continue 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 2007 State budget bill.

Recent expenditures related to major capital improvements, economic development and self insurance reservation have cut into the General Fund balance. As a result of prior years' conservative spending and steady fund balances, the County had maintained its Budget Stabilization fund to safeguard against future economic factors. The \$16.0 million unreserved fund balance on the modified accrual basis of accounting at December 31, 2005 represents approximately 30.3% of 2005 General Fund expenditures and other financing uses.

All of these factors were considered in the preparation of the County's 2005 budget. In conjunction with current economic factors, the County has increased its 2006 budget for the County to continue providing public safety services, to continue improving its technology, and for the economic development of the County.

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.co.clermont.oh.us.

Clermont County, Ohio
Statement of Net Assets
December 31, 2005

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$67,672,825	\$6,613,964	\$74,286,789	\$12,659,136
Cash and Cash Equivalents in Segregated Accounts	0	3,020,524	3,020,524	87,242
Cash and Cash Equivalents with Fiscal & Escrow Agent	1,847	0	1,847	0
Investments in Segregated Accounts	0	61,374,405	61,374,405	0
Accounts Receivable	974,668	4,609,230	5,583,898	351,112
Accrued Interest Receivable	698,330	0	698,330	0
Intergovernmental Receivable	12,657,349	0	12,657,349	6,700,379
Taxes Receivable	22,059,032	0	22,059,032	8,205,529
Internal Balances	(152,493)	152,493	0	0
Prepaid Items	122,404	0	122,404	19,417
Inventory of Supplies at Cost	0	316,744	316,744	3,149
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	27,167	27,167	0
Cash and Cash Equivalents in Segregated Accounts	0	1,408,349	1,408,349	4,312
Investments in Segregated Accounts	0	8,622,123	8,622,123	0
Retainage Accounts	0	612,362	612,362	0
Accrued Interest	0	360,412	360,412	0
Grants Receivable	0	355,513	355,513	0
Loans Receivable	138,952	2,286,600	2,425,552	0
Unamortized Financing Costs	0	2,714,893	2,714,893	0
Special Assessments Receivable	13,822,687	0	13,822,687	0
Other Non-Current Receivables	0	368,626	368,626	0
Land and Construction in Progress	19,713,176	37,372,564	57,085,740	458,517
Depreciable Capital Assets, Net	124,501,513	201,928,990	326,430,503	5,698,654
Total Assets	262,210,290	332,144,959	594,355,249	34,187,447
Liabilities				
Accounts Payable	4,081,719	762,259	4,843,978	589,684
Contracts Payable	1,899,511	0	1,899,511	0
Accrued Wages and Benefits	1,637,508	530,593	2,168,101	309,902
Compensated Absences Payable	21,703	0	21,703	1,002
Intergovernmental Payable	1,580,955	0	1,580,955	90,115
Deferred Revenue	17,578,548	0	17,578,548	7,718,956
Matured Interest Payable	8,863	0	8,863	0
Accrued Interest Payable	133,165	0	133,165	0
Claims Payable	838,853	0	838,853	0
Current portion of Long-Term Debt	0	441,660	441,660	0
Payable from Restricted Assets:				
Accounts Payable	0	1,785,042	1,785,042	0
Accrued Interest Payable	0	1,212,031	1,212,031	573
Retainage Payable	0	612,362	612,362	0
Maintenance Bond Payable	0	101,080	101,080	0
Current Portion of Long-Term Debt	0	3,696,435	3,696,435	0
Long-Term Liabilities:				
Due Within One Year	6,459,384	0	6,459,384	424,542
Due In More Than One Year	30,518,602	72,395,730	102,914,332	930,829
Total Liabilities	64,758,811	81,537,192	146,296,003	10,065,603
Net Assets				
Invested in Capital Assets, Net of Related Debt	130,589,734	162,767,729	293,357,463	5,590,560
Restricted for:				
Capital Projects	16,986,837	0	16,986,837	935,140
Debt Service	14,383,480	7,319,898	21,703,378	1,482
Other Purposes (See Note B)	26,662,633	0	26,662,633	499,390
Component Unit	0	0	0	114,315
Unrestricted	8,828,795	80,520,140	89,348,935	16,980,957
Total Net Assets	\$197,451,479	\$250,607,767	\$448,059,246	\$24,121,844

Clermont County, Ohio
Statement of Activities
For the Year Ended December 31, 2005

	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			
					Governmental Activities	Business-Type Activities		Total
Primary Government								
Governmental Activities								
General Government								
Legislative and Executive	\$22,705,828	\$11,769,239	\$2,166,310	\$0	(\$8,770,279)	\$0	(\$8,770,279)	\$0
Judicial	9,832,777	3,230,272	406,360	0	(6,196,145)	0	(6,196,145)	0
Public Safety	27,358,585	5,229,426	3,551,623	4,800,920	(13,776,616)	0	(13,776,616)	0
Public Works	7,645,345	873,348	6,014,693	5,347,392	4,590,088	0	4,590,088	0
Health	621,688	589,931	29,800	0	(1,957)	0	(1,957)	0
Human Services	30,203,142	2,307,244	20,571,058	54,747	(7,270,093)	0	(7,270,093)	0
Community Development	3,810,015	84,247	4,151	2,160,088	(1,561,529)	0	(1,561,529)	0
Transportation	1,550,036	947,685	959,748	141,323	498,720	0	498,720	0
Interest and Fiscal Charges	1,419,119	0	0	0	(1,419,119)	0	(1,419,119)	0
<i>Total Governmental Activities</i>	<u>105,146,535</u>	<u>25,031,392</u>	<u>33,703,743</u>	<u>12,504,470</u>	<u>(33,906,930)</u>	<u>0</u>	<u>(33,906,930)</u>	<u>0</u>
Business-Type Activities								
Water	11,664,066	11,795,804	0	4,228,635	0	4,360,373	4,360,373	0
Sewer	15,465,136	13,725,879	0	8,966,156	0	7,226,899	7,226,899	0
<i>Total Business-Type Activities</i>	<u>27,129,202</u>	<u>25,521,683</u>	<u>0</u>	<u>13,194,791</u>	<u>0</u>	<u>11,587,272</u>	<u>11,587,272</u>	<u>0</u>
<i>Total Primary Government</i>	<u>\$132,275,737</u>	<u>\$50,553,075</u>	<u>\$33,703,743</u>	<u>\$25,699,261</u>	<u>(33,906,930)</u>	<u>11,587,272</u>	<u>(22,319,658)</u>	<u>0</u>
Component Units								
MRDD	\$13,150,205	\$2,410,850	\$3,688,391	\$0				(\$7,050,964)
MHRB	12,288,312	392,655	9,995,304	0				(1,900,353)
<i>Total Component Units</i>	<u>\$25,438,517</u>	<u>\$2,803,505</u>	<u>\$13,683,695</u>	<u>\$0</u>				<u>(\$8,951,317)</u>
		General Revenues						
		Property Taxes Levied for:						
		General Purposes			7,270,232	0	7,270,232	0
		Social Services			6,055,984	0	6,055,984	0
		MRDD			0	0	0	6,316,742
		MHRB			0	0	0	1,593,679
		Capital Outlay			3,454,195	0	3,454,195	0
		Lodging Tax			430,014	0	430,014	0
		Sales Tax			22,783,754	0	22,783,754	0
		Grants not Restricted to Specific Programs			5,945,983	0	5,945,983	1,990,172
		Investment Earnings			2,921,263	1,822,908	4,744,171	0
		Other Revenue			153,919	466,398	620,317	0
		Transfers (See Note R)			(1,789,515)	1,789,515	0	0
		<i>Total General Revenues and Transfers</i>			<u>47,225,829</u>	<u>4,078,821</u>	<u>51,304,650</u>	<u>9,900,593</u>
		Change in Net Assets			13,318,899	15,666,093	28,984,992	949,276
		<i>Net Assets Beginning of Year</i>			<u>184,132,580</u>	<u>234,941,674</u>	<u>419,074,254</u>	<u>23,172,568</u>
		<i>Net Assets End of Year</i>			<u>\$197,451,479</u>	<u>\$250,607,767</u>	<u>\$448,059,246</u>	<u>\$24,121,844</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Balance Sheet
Governmental Funds
December 31, 2005

	General	Social Services	MV&G	Special Assessment Debt Service
Assets				
Equity in Pooled Cash and Cash Equivalents	\$23,382,661	\$8,658,427	\$2,770,091	\$292,790
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	8
Receivables:				
Taxes	8,078,794	6,543,696	236,567	0
Sales Taxes	3,287,625		0	0
Accounts	302,227	73,133	157,871	0
Special Assessments	0	0	0	9,455,021
Accrued Interest	678,181	0	18,462	0
Interfund	1,249,445	0	0	0
Intergovernmental	1,964,236	287,099	5,966,385	0
Prepaid Items	91,630	2,019	1,341	0
Loans Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$39,034,799</u>	<u>\$15,564,374</u>	<u>\$9,150,717</u>	<u>\$9,747,819</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$791,223	\$2,036,307	\$634,360	\$0
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	1,050,103	309,044	106,480	0
Compensated Absences Payable	12,216	0	9,487	0
Intergovernmental Payable	184,046	1,332,644	21,604	0
Interfund Payable	108,403	500,000	0	44,090
Deferred Revenue	12,053,595	6,823,766	5,639,654	9,453,953
Matured Interest Payable	0	0	0	8,863
<i>Total Liabilities</i>	<u>14,199,586</u>	<u>11,001,761</u>	<u>6,411,585</u>	<u>9,506,906</u>
Fund Balances				
Reserved for Encumbrances	8,790,009	272,497	460,408	0
Reserved for Loans	0	0	0	0
Unreserved:				
Designated for Budget Stabilization	2,300,000	0	0	0
Undesignated, Reported in:				
General Fund	13,745,204	0	0	0
Special Revenue Funds	0	4,290,116	2,278,724	0
Debt Service Funds	0	0	0	240,913
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>24,835,213</u>	<u>4,562,613</u>	<u>2,739,132</u>	<u>240,913</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$39,034,799</u>	<u>\$15,564,374</u>	<u>\$9,150,717</u>	<u>\$9,747,819</u>

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, 2005*

County Capital Improvement	Other Governmental Funds	Total Governmental Funds		
			Total Governmental Fund Balances	\$59,818,087
			Amounts reported for governmental activities in the statement of net assets are different because	
\$4,342,500	\$24,640,442	\$64,086,911	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	144,137,986
0	1,839	1,847	Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
3,912,350	0	18,771,407	Special Assessments	13,820,792
0	0	3,287,625	Investment Earnings	453,339
0	162,187	695,418	Intergovernmental Revenues	10,577,816
0	4,367,666	13,822,687	Property Taxes	926,842
0	1,687	698,330	Sales Tax	1,887,545
0	0	1,249,445	Charges for Services	113,779
184,512	4,255,117	12,657,349	Total	27,780,113
0	22,544	117,534	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.	2,799,777
0	138,952	138,952	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.	
<u>\$8,439,362</u>	<u>\$33,590,434</u>	<u>\$115,527,505</u>	General Obligation Bonds	(25,350,000)
			Special Assessment Bonds	(6,838,000)
\$0	\$352,517	\$3,814,407	OPWC Loans	(294,955)
359,788	1,539,723	1,899,511	Accrued Interest	(133,165)
0	159,584	1,625,211	Compensated Absences	(4,468,364)
0	0	21,703	Total	<u>(37,084,484)</u>
0	40,830	1,579,124	Net Assets of Governmental Activities	<u>\$197,451,479</u>
0	749,445	1,401,938		
4,091,276	7,296,417	45,358,661		
0	0	8,863		
<u>4,451,064</u>	<u>10,138,516</u>	<u>55,709,418</u>		
327,014	2,856,079	12,706,007		
0	138,952	138,952		
0	0	2,300,000		
0	0	13,745,204		
0	11,081,353	17,650,193		
0	182,313	423,226		
<u>3,661,284</u>	<u>9,193,221</u>	<u>12,854,505</u>		
<u>3,988,298</u>	<u>23,451,918</u>	<u>59,818,087</u>		
<u>\$8,439,362</u>	<u>\$33,590,434</u>	<u>\$115,527,505</u>		

Clermont County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	Social Services	MV & G	Special Assessment Debt Service	County Capital Improvement
Revenues					
Property and Other Taxes	\$27,852,199	\$6,032,099	\$2,139,597	\$0	\$3,440,710
Charges for Services	11,868,537	1,016,714	375,165	0	13,200
Licenses and Permits	1,672,919	46,881	57,598	0	0
Fines and Forfeitures	1,408,673	0	187,994	0	0
Intergovernmental	4,663,128	22,426,456	7,262,858	0	2,469,499
Special Assessments	0	0	20,018	632,622	0
Investment Earnings	3,251,716	0	109,051	1,423	0
Net Decrease in Fair Value of Investments	(825,674)	0	(22,477)	0	0
Other	1,132,621	106,943	486,090	200	60,563
<i>Total Revenues</i>	<u>51,024,119</u>	<u>29,629,093</u>	<u>10,615,894</u>	<u>634,245</u>	<u>5,983,972</u>
Expenditures					
Current:					
General Government					
Legislative and Executive	15,490,081	0	0	0	0
Judicial	8,100,808	0	0	0	0
Public Safety	20,811,941	0	0	0	0
Public Works	0	0	11,243,420	0	0
Health	172,578	0	0	0	0
Human Services	957,054	28,922,182	0	0	0
Community Development	656,632	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	0	0	0	0	2,903,031
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	413,000	0
Interest and Fiscal Charges	0	0	0	265,248	0
<i>Total Expenditures</i>	<u>46,189,094</u>	<u>28,922,182</u>	<u>11,243,420</u>	<u>678,248</u>	<u>2,903,031</u>
Excess of Revenues Over (Under) Expenditures	<u>4,835,025</u>	<u>706,911</u>	<u>(627,526)</u>	<u>(44,003)</u>	<u>3,080,941</u>
Other Financing Sources (Uses)					
Transfers In	0	934,303	0	0	681,900
Transfers Out	(6,586,553)	0	(17,876)	0	(3,418,049)
Proceeds from the Sale of Capital Assets	39,102	0	14,100	0	0
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>(6,547,451)</u>	<u>934,303</u>	<u>(3,776)</u>	<u>0</u>	<u>(2,736,149)</u>
Net Change in Fund Balances	(1,712,426)	1,641,214	(631,302)	(44,003)	344,792
Fund Balances at Beginning 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>
Fund Balances End of Year	<u>\$24,835,213</u>	<u>\$4,562,613</u>	<u>\$2,739,132</u>	<u>\$240,913</u>	<u>\$3,988,298</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, 2005*

Other Governmental Funds	Total Governmental Funds		
		Net Change in Fund Balances - Total Governmental Funds	(\$2,942,125)
		Amounts reported for governmental activities in the statement of activities are different because	
\$430,014	\$39,894,619	Governmental funds report capital outlays as expenditures. However	
5,206,762	18,480,378	in the statement of activities, the cost of those assets is allocated	
286,090	2,063,488	over their estimated useful lives as depreciation expense. This is	
261,528	1,858,195	the amount by which capital outlays exceeded depreciation in the	
11,184,629	48,006,570	current period.	
474,229	1,126,869	Capital asset additions	21,671,136
228,058	3,590,248	Depreciation expense	<u>(8,016,298)</u>
(2,054)	(850,205)	Excess of capital outlay over depreciations	13,654,838
113,810	1,900,227		
18,183,066	116,070,389	In the statement of activities, the loss on the disposal of capital	
		assets is reported. Conversely, governmental funds do not	
		report any gain or loss on the disposal of capital assets.	(1,895,230)
		In the statement of activities, donations of capital assets increase	
2,865,642	18,355,723	net assets, but do not appear in the governmental funds because	
815,974	8,916,782	they are not financial resources.	54,747
4,294,014	25,105,955	Because some property taxes will not be collected for several months	
250,807	11,494,227	after the County's fiscal year ends, they are not considered as	
651,269	823,847	"available" revenues in the governmental funds. Similarly, certain	
0	29,879,236	licenses and other revenues that do not provide current financial	
1,220,415	1,877,047	resources are not reported as revenues in the fund.	
1,501,225	1,501,225	Taxes	99,560
12,700,895	15,603,926	Intergovernmental revenue	1,510,113
569,756	569,756	Special Assessments	1,510,644
3,377,876	3,790,876	Charges for services	86,863
1,099,683	1,364,931	Investment earnings	181,220
		All other revenue	<u>(351,521)</u>
29,347,556	119,283,531	Total revenue	3,036,879
(11,164,490)	(3,213,142)	The issuance of long-term debt provides current financial resources	
		to government funds, while the repayment of the principal of long-term	
8,570,160	10,186,363	debt consumes the current financial resources of governmental funds.	
(1,789,515)	(11,811,993)	Neither transaction, however, has any effect on net assets.	
53,930	107,132	Repayment of Bond Principal	3,790,876
1,850,000	1,850,000	Proceeds from sale of Bonds	(1,850,000)
(60,485)	(60,485)	In the statement of activities, interest is accrued on outstanding bonds,	
8,624,090	271,017	whereas in governmental funds, interest is expensed when due.	114,673
(2,540,400)	(2,942,125)	Some expenses reported in the statement of activities do not require	
25,992,318	62,760,212	the use of current financial resources and therefore are not reported	
\$23,451,918	\$59,818,087	as expenditures in governmental funds.	
		Compensated Absences Payable	(1,068,610)
		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.	422,851
		<i>Change in Net Assets of Governmental Activities</i>	\$13,318,899

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, 2005

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Taxes	\$ 28,309,150	\$ 28,309,150	\$ 27,871,492	\$ (437,658)
Charges for services	10,944,970	10,944,970	11,970,388	1,025,418
Licenses and permits	1,313,800	1,313,800	1,672,853	359,053
Fines and forfeitures	1,470,851	1,470,851	1,407,763	(63,088)
Intergovernmental	4,559,199	4,661,524	4,621,495	(40,029)
Investment earnings	3,015,800	3,015,800	3,032,008	16,208
Other revenues	979,900	979,900	1,219,825	239,925
Total revenues	<u>50,593,670</u>	<u>50,695,995</u>	<u>51,795,824</u>	<u>1,099,829</u>
Expenditures:				
Current:				
General Government				
Legislative and executive	16,763,323	17,363,705	16,257,444	1,106,261
Judicial	8,309,003	8,430,317	8,177,786	252,531
Public safety	21,270,907	21,635,508	21,079,601	555,907
Health	547,664	365,688	351,255	14,433
Human services	1,144,079	1,144,079	961,331	182,748
Community development	1,058,136	9,158,547	8,648,730	509,817
Total expenditures	<u>49,093,112</u>	<u>58,097,844</u>	<u>55,476,147</u>	<u>2,621,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,500,558</u>	<u>(7,401,849)</u>	<u>(3,680,323)</u>	<u>3,721,526</u>
Other financing sources (uses):				
Operating transfers (out)	(4,105,441)	(5,298,417)	(5,010,041)	288,376
Advances in	0	0	379,793	379,793
Advances (out)	0	(151,755)	(151,755)	0
Proceeds of sale of capital assets	20,000	20,000	39,102	19,102
Total other financing sources (uses)	<u>(4,085,441)</u>	<u>(5,430,172)</u>	<u>(4,742,901)</u>	<u>687,271</u>
Net Change in Fund Balance	(2,584,883)	(12,832,021)	(8,423,224)	4,408,797
Fund balance at beginning of year	22,077,705	22,077,705	22,077,705	0
Prior year encumbrances appropriated	1,480,365	1,480,365	1,480,365	0
Fund balance at end of year	<u>\$ 20,973,187</u>	<u>\$ 10,726,049</u>	<u>\$ 15,134,846</u>	<u>\$ 4,408,797</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, 2005

Social Services - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 6,133,275	\$ 6,157,814	\$ 6,024,877	\$ (132,937)
Charges for services	900,850	900,850	955,741	54,891
Licenses and permits	56,000	56,000	46,881	(9,119)
Intergovernmental	22,911,906	23,194,278	23,542,971	348,693
Other revenues	511,400	511,400	657,506	146,106
Total revenues	<u>30,513,431</u>	<u>30,820,342</u>	<u>31,227,976</u>	<u>407,634</u>
Expenditures:				
Current:				
Human services	<u>31,597,709</u>	<u>32,850,519</u>	<u>29,983,268</u>	<u>2,867,251</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,084,278)</u>	<u>(2,030,177)</u>	<u>1,244,708</u>	<u>3,274,885</u>
Other financing sources (uses):				
Operating transfers in	2,788,878	4,677,254	6,389,708	1,712,454
Operating transfers (out)	(2,295,000)	(6,440,997)	(5,766,077)	674,920
Proceeds from sale of capital assets	3,000	3,000	0	(3,000)
Total other financing sources (uses)	<u>496,878</u>	<u>(1,760,743)</u>	<u>623,631</u>	<u>2,384,374</u>
Net change in fund balance	(587,400)	(3,790,920)	1,868,339	5,659,259
Fund balance at beginning of year	4,263,329	4,263,329	4,263,329	0
Prior year encumbrances appropriated	639,055	639,055	639,055	0
Fund balance at end of year	<u>\$ 4,314,984</u>	<u>\$ 1,111,464</u>	<u>\$ 6,770,723</u>	<u>\$ 5,659,259</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, 2005

Motor Vehicle and Gas Tax - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 2,100,000	\$ 2,100,000	\$ 2,129,516	\$ 29,516
Charges for services	207,600	207,600	378,893	171,293
Licenses and permits	35,000	35,000	52,105	17,105
Fines and forfeitures	180,000	180,000	188,889	8,889
Intergovernmental	6,430,000	6,430,000	6,506,508	76,508
Special assessments	20,000	20,000	20,018	18
Investment earnings	80,000	80,000	110,802	30,802
Other revenues	235,400	235,400	419,349	183,949
Total revenues	<u>9,288,000</u>	<u>9,288,000</u>	<u>9,806,080</u>	<u>518,080</u>
Expenditures:				
Current:				
Public works	<u>10,477,859</u>	<u>13,474,982</u>	<u>12,675,156</u>	<u>799,826</u>
(Deficiency) of revenues (under) expenditure	<u>(1,189,859)</u>	<u>(4,186,982)</u>	<u>(2,869,076)</u>	<u>1,317,906</u>
Other financing sources(uses):				
Operating transfer in	1,000	1,000	0	(1,000)
Operating transfers (out)	(18,250)	(18,250)	(17,876)	374
Proceeds from the sale of capital assets	<u>5,000</u>	<u>5,000</u>	<u>14,100</u>	<u>9,100</u>
Total other financing sources (uses)	<u>(12,250)</u>	<u>(12,250)</u>	<u>(3,776)</u>	<u>8,474</u>
Net change in fund balance	(1,202,109)	(4,199,232)	(2,872,852)	1,326,380
Fund balance at beginning of year	3,103,647	3,103,647	3,103,647	0
Prior year encumbrances appropriated	<u>1,200,209</u>	<u>1,200,209</u>	<u>1,200,209</u>	<u>0</u>
Fund balance at end of year	<u>\$ 3,101,747</u>	<u>\$ 104,624</u>	<u>\$ 1,431,004</u>	<u>\$ 1,326,380</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2005

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$3,407,170	\$3,206,794	\$6,613,964	\$3,585,914
Cash and Cash Equivalents in Segregated Accounts	2,127,815	892,709	3,020,524	0
Investments in Segregated Accounts	13,883,335	47,491,070	61,374,405	0
<i>Receivables:</i>				
Accounts	1,688,622	2,920,608	4,609,230	279,250
Prepaid items	0	0	0	4,870
Inventory of Supplies at Cost	214,122	102,622	316,744	0
<i>Total Current Assets</i>	<u>21,321,064</u>	<u>54,613,803</u>	<u>75,934,867</u>	<u>3,870,034</u>
<i>Noncurrent Assets:</i>				
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	0	27,167	27,167	0
Cash and Cash Equivalents in Segregated Accounts	671,789	736,560	1,408,349	0
Investments in Segregated Accounts	4,015,734	4,606,389	8,622,123	0
Retainage Accounts	459,542	152,820	612,362	0
Accrued Interest	67,337	293,075	360,412	0
<i>Other Noncurrent Assets:</i>				
Grants Receivable	0	355,513	355,513	0
Loans Receivable	0	2,286,600	2,286,600	0
Unamortized financing costs	765,272	1,949,621	2,714,893	0
Interfund receivable	36,830	115,663	152,493	0
Other noncurrent receivables	368,626	0	368,626	0
Capital Assets, Net	105,380,339	133,921,215	239,301,554	76,703
<i>Total Noncurrent Assets</i>	<u>111,765,469</u>	<u>144,444,623</u>	<u>256,210,092</u>	<u>76,703</u>
<i>Total Assets</i>	<u>133,086,533</u>	<u>199,058,426</u>	<u>332,144,959</u>	<u>3,946,737</u>
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	326,934	435,325	762,259	267,312
Accrued Wages and Benefits	234,766	295,827	530,593	12,297
Current portion of OWDA notes payable	0	156,499	156,499	0
Current portion of OPWC loans payable	0	285,161	285,161	0
Intergovernmental Payable	0	0	0	1,831
Claims Payable	0	0	0	838,853
<i>Total Current Liabilities</i>	<u>561,700</u>	<u>1,172,812</u>	<u>1,734,512</u>	<u>1,120,293</u>
<i>Noncurrent Liabilities:</i>				
<i>Payable from Restricted Assets:</i>				
Accounts Payable	992,612	792,430	1,785,042	0
Accrued Interest Payable	607,877	604,154	1,212,031	0
Retainage Payable	459,542	152,820	612,362	0
Maintenance Bond Payable	50,540	50,540	101,080	0
Current Portion of Long-Term Obligations	2,031,435	1,665,000	3,696,435	0
<i>Long-Term Liabilities:</i>				
OWDA Notes Payable	0	1,147,903	1,147,903	0
OPWC Loans Payable	475,826	5,502,001	5,977,827	0
Revenue Bonds Payable	31,010,000	34,260,000	65,270,000	0
Compensated Absences Due Within One Year	0	0	0	9,624
Compensated Absences Due Within More than One Year	0	0	0	17,043
<i>Total Noncurrent Liabilities</i>	<u>35,627,832</u>	<u>44,174,848</u>	<u>79,802,680</u>	<u>26,667</u>
<i>Total Liabilities</i>	<u>36,189,532</u>	<u>45,347,660</u>	<u>81,537,192</u>	<u>1,146,960</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	71,863,078	90,904,651	162,767,729	76,703
Restricted for Debt Service	3,103,831	4,216,067	7,319,898	0
Unrestricted	21,930,092	58,590,048	80,520,140	2,723,074
<i>Total Net Assets</i>	<u>\$96,897,001</u>	<u>\$153,710,766</u>	<u>\$250,607,767</u>	<u>\$2,799,777</u>

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, 2005*

	Business-Type Activities-Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Total	Activities- Internal Service Funds
Operating Revenues				
Charges for Services	\$11,022,937	\$13,548,303	\$24,571,240	\$11,284,604
New meters, services and reviews	772,867	177,576	950,443	0
Other Revenues	303,493	162,905	466,398	632,633
<i>Total Operating Revenues</i>	<u>12,099,297</u>	<u>13,888,784</u>	<u>25,988,081</u>	<u>11,917,237</u>
Operating Expenses				
Personal Services	2,485,020	2,738,232	5,223,252	487,677
Materials and Supplies	1,311,768	1,236,476	2,548,244	1,157,055
Contractual Services	641,127	1,257,677	1,898,804	724,485
Maintenance and Repair	993,605	334,506	1,328,111	240,030
Utilities	1,164,781	1,705,680	2,870,461	597,239
Claims	0	0	0	8,088,497
Depreciation	3,443,166	6,402,848	9,846,014	16,962
Other	26,337	18,417	44,754	18,556
<i>Total Operating Expenses</i>	<u>10,065,804</u>	<u>13,693,836</u>	<u>23,759,640</u>	<u>11,330,501</u>
<i>Operating Income/(Loss)</i>	<u>2,033,493</u>	<u>194,948</u>	<u>2,228,441</u>	<u>586,736</u>
Non-Operating Revenues (Expenses)				
Investment Income	466,789	1,502,321	1,969,110	0
Net Increase (Decrease) in Fair Value of Investments	12,330	(158,532)	(146,202)	0
Interest and Fiscal Charges	(1,598,262)	(1,771,300)	(3,369,562)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(1,119,143)</u>	<u>(427,511)</u>	<u>(1,546,654)</u>	<u>0</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>914,350</u>	<u>(232,563)</u>	<u>681,787</u>	<u>586,736</u>
Capital Contributions	4,228,635	8,966,156	13,194,791	0
Transfers In	151,099	1,638,416	1,789,515	16,115
Transfers Out	0	0	0	(180,000)
<i>Change in Net Assets</i>	<u>5,294,084</u>	<u>10,372,009</u>	<u>15,666,093</u>	<u>422,851</u>
<i>Net Assets Beginning of Year</i>	<u>91,602,917</u>	<u>143,338,757</u>	<u>234,941,674</u>	<u>2,376,926</u>
<i>Net Assets End of Year</i>	<u>\$96,897,001</u>	<u>\$153,710,766</u>	<u>\$250,607,767</u>	<u>\$2,799,777</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2005

	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	\$11,952,933	\$13,424,932	\$25,377,865	\$0
Cash received from Interfund Services Provided	0	0	0	11,272,817
Payments to Suppliers	(4,178,013)	(4,601,017)	(8,779,030)	(1,963,131)
Payments to Employees	(2,442,563)	(2,703,944)	(5,146,507)	(490,617)
Claims	0	0	0	(8,014,016)
Payments for Interfund Services Provided	0	0	0	(663,153)
Other Receipts	303,493	162,905	466,398	632,633
<i>Net Cash Provided by Operating Activities</i>	<u>5,635,850</u>	<u>6,282,876</u>	<u>11,918,726</u>	<u>774,533</u>
Cash Flows from Noncapital Financing Activities:				
Transfer from Other Funds	0	0	0	(163,885)
<i>Net Cash (Used for) Noncapital and Related Financing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(163,885)</u>
Cash Flows From Capital and Related Financing Activities:				
Principal and Interest Paid on Long-Term Debt	(3,493,840)	(3,576,013)	(7,069,853)	0
Construction/Acquisition of Capital Assets	(9,520,808)	(8,583,008)	(18,103,816)	(12,509)
Retainage Receipts	376,100	142,050	518,150	0
Retainage Payments	(255,471)	(70,172)	(325,643)	0
Maintenance Bond Receipts	20,400	20,400	40,800	0
Maintenance Bond Payments	(8,400)	(8,400)	(16,800)	0
Proceeds from Assessments	2,580	203,336	205,916	0
Cash Contributions from Developers	5,265	105,002	110,267	0
System Capacity Charges	1,930,185	2,897,416	4,827,601	0
Proceeds from Capital Related Interfund Receivables	36,831	71,573	108,404	0
Proceeds from Capital Grants	641,490	245,572	887,062	0
Proceeds from Capital Related Loans	528,696	1,392,988	1,921,684	0
Advances to Other Funds, related to capital	0	(44,090)	(44,090)	0
Transfers in from Other Funds, related to capital	151,099	1,638,416	1,789,515	0
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>(9,585,873)</u>	<u>(5,564,930)</u>	<u>(15,150,803)</u>	<u>(12,509)</u>
Cash Flows From Investing Activities:				
Investment Purchases	(9,941,723)	(54,398,745)	(64,340,468)	0
Investment Sales	13,743,621	51,082,572	64,826,193	0
Interest Received on Investments	496,717	1,281,067	1,777,784	0
<i>Net Cash Provided by (Used for) Investing Activities</i>	<u>4,298,615</u>	<u>(2,035,106)</u>	<u>2,263,509</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	<u>348,592</u>	<u>(1,317,160)</u>	<u>(968,568)</u>	<u>598,139</u>
<i>Cash and Cash Equivalents January 1 (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>
<i>Cash and Cash Equivalents December 31 (including \$1,131,331 and \$916,547 for the Water and Sewer Funds, respectively held in restricted accounts)</i>	<u>\$6,666,316</u>	<u>\$5,016,050</u>	<u>\$11,682,366</u>	<u>\$3,585,914</u>

Continued

Clermont County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2005-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	\$2,033,493	\$194,948	\$2,228,441	\$586,736
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	3,443,166	6,402,848	9,846,014	16,962
Change in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	157,129	(311,703)	(154,574)	(11,787)
(Increase) in Prepaid Items	0	0	0	(2,675)
(Increase) in Inventory	(19,668)	(46,297)	(65,965)	0
Increase (Decrease) in Accounts Payable	(20,727)	8,792	(11,935)	113,756
Increase (Decrease) in Accrued Wages and Related Expense	42,457	34,288	76,745	(2,207)
Increase in Claims Payable	0	0	0	74,481
(Decrease) in Intergovernmental Payable	0	0	0	(301)
(Decrease) in Compensated Absences	0	0	0	(432)
<i>Net Cash Provided by Operating Activities</i>	<u>\$5,635,850</u>	<u>\$6,282,876</u>	<u>\$11,918,726</u>	<u>\$774,533</u>
Non-Cash Transactions:				
Contributions	\$2,243,634	\$5,616,163	\$7,859,797	\$0
Net Increase in the Fair Value of Investments	12,330	(158,532)	(146,202)	0
<i>Total Non-Cash Transactions</i>	<u>\$2,255,964</u>	<u>\$5,457,631</u>	<u>\$7,713,595</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, 2005

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$12,318,876
Cash and Cash Equivalents in Segregated Accounts	816,128
Cash with Fiscal and Escrow Agents	698,324
Taxes Receivable	201,444,173
Intergovernmental Receivable	<u>502,943</u>
<i>Total Assets</i>	<u><u>\$215,780,444</u></u>
Liabilities	
Intergovernmental Payable	\$211,774,206
Other Liabilities	<u>4,006,238</u>
<i>Total Liabilities</i>	<u><u>\$215,780,444</u></u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Net Assets
Component Units
December 31, 2005

	MRDD	Mental Health Board	Component Unit Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$7,161,003	\$5,498,133	\$12,659,136
Cash and Cash Equivalents in Segregated Accounts	87,242	0	87,242
Receivables:			
Accounts	157,801	193,311	351,112
Intergovernmental	1,540,078	5,160,301	6,700,379
Taxes	6,525,656	1,679,873	8,205,529
Prepaid Items	18,534	883	19,417
Inventory of supplies at cost	3,149	0	3,149
Restricted Assets:			
Cash and Cash Equivalents in Segregated Accounts	4,312	0	4,312
Land and Land Improvements	281,189	177,328	458,517
Depreciable Capital Assets, Net	3,703,762	1,994,892	5,698,654
<i>Total Assets</i>	<u>19,482,726</u>	<u>14,704,721</u>	<u>34,187,447</u>
Liabilities			
Accounts Payable	241,805	347,879	589,684
Accrued Wages and Benefits	290,556	19,346	309,902
Compensated Absences Payable	1,002	0	1,002
Intergovernmental Payable	86,291	3,824	90,115
Deferred Revenue	6,130,350	1,588,606	7,718,956
Accrued Interest Payable	0	573	573
Long-Term Liabilities:			
Due Within One Year	381,665	42,877	424,542
Due In More Than One Year	344,600	586,229	930,829
<i>Total Liabilities</i>	<u>7,476,269</u>	<u>2,589,334</u>	<u>10,065,603</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	3,984,951	1,605,609	5,590,560
Restricted for:			
Capital Projects	935,140	0	935,140
Debt Service	0	1,482	1,482
Other Purposes	499,390	0	499,390
Clerco	114,315	0	114,315
Unrestricted	6,472,661	10,508,296	16,980,957
<i>Total Net Assets</i>	<u>\$12,006,457</u>	<u>\$12,115,387</u>	<u>\$24,121,844</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Activities
Component Units
For the Year Ended December 31, 2005

	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	\$13,150,205	\$2,410,850	\$3,688,391	\$0	(\$7,050,964)	\$0	(\$7,050,964)
MHRB Component Unit							
Governmental Activities							
Health	12,252,717	392,655	9,995,304	0	0	(1,864,758)	(1,864,758)
Interest and Fiscal Charges	35,595	0	0	0	0	(35,595)	(35,595)
<i>Total MHRB Component Unit</i>	\$12,288,312	\$392,655	\$9,995,304	\$0	\$0	(\$1,900,353)	(1,900,353)
Total Component Units	<u>\$25,438,517</u>	<u>\$2,803,505</u>	<u>\$13,683,695</u>	<u>\$0</u>			<u>(8,951,317)</u>
		General Revenues					
		Property Taxes			6,316,742	1,593,679	7,910,421
		Grants not Restricted to Specific Programs			1,657,170	333,002	1,990,172
		<i>Total General Revenues</i>			<u>7,973,912</u>	<u>1,926,681</u>	<u>9,900,593</u>
		Change in Net Assets			922,948	26,328	949,276
		<i>Net Assets Beginning of Year</i>			<u>11,083,509</u>	<u>12,089,059</u>	<u>23,172,568</u>
		<i>Net Assets End of Year</i>			<u>\$12,006,457</u>	<u>\$12,115,387</u>	<u>\$24,121,844</u>

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, 2005

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.

Clermont County Community Improvement Corporation (CIC): The CIC is responsible for advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of Clermont County. The Board of County Commissioners and the County Administrator are four of the thirteen board members. The CIC's financial activity is not material to the County as a whole and has not been included in the component units' column of the government-wide financial statements.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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

Copies of the MRDD and MHRB financial reports are on file at the Clermont County Auditor's Office, 101 E. Main Street, Batavia, Ohio 45103-2961. Copies of the CIC financial report are on file at the Clermont County's Department of Economic Development, 2379 Clermont Center Drive, Batavia, Ohio 45103-2961.

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.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note B: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service 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:

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note B: Summary of Significant Accounting Policies (Continued)

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.

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.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note B: Summary of Significant Accounting Policies (Continued)

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.

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.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Note B: Summary of Significant Accounting Policies (Continued)

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 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, 2005 but which were levied to finance fiscal year 2006 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 2005, investments were limited to treasury bills, treasury notes, federal agency notes, money market funds 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, 2005.

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 2005 amounted to \$3,251,716, which includes \$1,927,797 assigned from other County funds.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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 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, 2005

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 based on the consumer price index. 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	10-35
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, 2005

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 Humana, 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 Humana.

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 judgments, 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 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, \$4,267,936, motor vehicle and gas money, \$8,086,656, and public safety, \$5,289,883.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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, 2005

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 2005.

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 Personal Services and Capital Outlay object levels 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 P. 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, 2005

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	(\$1,712,426)	\$1,641,214	(\$631,302)
Net Adjustment for Revenue Accruals	771,705	1,598,883	(809,814)
Net Adjustment for Expenditure Accruals	62,185	(264,904)	(173,784)
Net Adjustment for Transfers In	0	5,455,405	0
Net Adjustment for Transfers Out	1,576,512	(5,766,077)	0
Net Adjustment for Advances	228,038	0	0
Excess of Revenue over Expenditures of Non-Budgeted Fund	(101,724)	0	0
Encumbrances	(9,247,514)	(796,182)	(1,257,952)
Budget Basis	(\$8,423,224)	\$1,868,339	(\$2,872,852)

NOTE D: Fund Deficits

The Storm Water Fund had a deficit fund balance at December 31, 2005 of \$275,741. The deficit in this fund was due to adjustments for advances made to the Storm Water Fund from the General Fund.

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

Change in Accounting Principle

For calendar year 2005, the County has implemented GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries." During 2005, the County did not have any impairment of capital assets. This statement had no effect on prior year net assets.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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, 2005

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 40, "Deposits and Investments Risk Disclosures".

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 through a collateral pool. As of December 31, 2005, \$24,244,112 of the County's bank balance of \$26,712,712 including \$12,750,690 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, 2005, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (Years)</u>
Treasury Bills	\$ 24,770,307	0.50
Treasury Notes	81,282,766	3.48
Federal Agency Notes	40,521,869	4.72
Money Market Funds	4,428,873	0.00
STAR Ohio	200,000	0.00
Total Fair Value	<u>\$ 151,203,815</u>	
Portfolio Weighted Average Maturity		1.74

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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 securities issued by the Federal Home Loan Bank (16.3%), the Federal Home Loan Mortgage (11.5%), and the Federal National Mortgage Association (8.5%).

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 and Cash Equivalents	Investments
GASB Statement No. 9	105,941,056	69,996,528
Cash on Hand	(5,000)	
Treasury Bills	(9,896,090)	9,896,090
Treasury Notes	(26,160,455)	26,160,455
Federal Agency Notes	(40,521,869)	40,521,869
Money Market Funds	(4,428,873)	4,428,873
STAR Ohio	(200,000)	200,000
GASB Statement No. 3	24,728,769	151,203,815

NOTE G: Receivables

Receivables at December 31, 2005, 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, 2005

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 2005 were based, are as follows:

Real Property	\$3,770,595,080
Public Utility and Tangible Personal Property	<u>451,863,284</u>
Total Assessed Property Value	<u><u>\$4,222,458,364</u></u>

Real property taxes collected in 2005 were levied after October 1, 2004 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 2005, each eligible business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State at 85%. Real property taxes are payable annually or semi-annually. In 2005, if paid annually, payment was due by February 7, 2005. If paid semi-annually, the first payment (at least ½ of amount billed) was due February 7, 2005 with the remainder due July 7, 2005.

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 2005 were recorded as 2005 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 2005 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 Collection
	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	<u>0.80</u>	<u>0.80</u>	<u>0.80</u>	2006
TOTAL	<u><u>5.65</u></u>	<u><u>3.82</u></u>	<u><u>4.15</u></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, 2005

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 items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$987,090
Local Government Revenue Assistance	373,311
Homestead and Rollback	859,085
Motor Vehicle License Tax	2,423,761
Motor Vehicle Gas Tax	1,203,078
Public Defender Assistance	125,991
Bridge Replacement Grants	1,109,811
Community Development Block Grant	40,415
Highway Planning & Construction Grants	1,229,735
Drug Prevention Grants	8,471
Juvenile Grants	47,569
Jail Expansion Grant	1,776,563
Miscellaneous Judicial Grants	196,399
Municipal Court Adult Probation Grants	75,258
Detention Center Grant	260,287
Reclaim Ohio Grant	949,142
Recycle Ohio Grant	16,980
TASC Grant	158,801
Transit Grants	141,503
Hazard Mitigation Grants	24,557
Homeland Security Grants	649,542
Total Governmental Activities	<u><u>\$12,657,349</u></u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE H: Capital Assets

Primary Government capital asset activity for the year ended December 31, 2005, was as follows:

	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$4,100,105	\$200,000	(\$130,652)	\$4,169,453
Construction in Progress	16,271,627	16,643,318	(17,371,222)	15,543,723
Total Capital Assets at Historical Cost not being depreciated	<u>20,371,732</u>	<u>16,843,318</u>	<u>(17,501,874)</u>	<u>19,713,176</u>
Capital Assets being depreciated:				
Building and Improvements	53,839,407	9,610,232	(3,526,109)	59,923,530
Furniture, Fixtures, and Equipment	35,796,986	2,816,843	(1,497,002)	37,116,827
Infrastructure	119,488,555	9,839,222	(1,532,005)	127,795,772
Total Capital Assets at Historical cost being depreciated	<u>209,124,948</u>	<u>22,266,297</u>	<u>(6,555,116)</u>	<u>224,836,129</u>
Less Accumulated Depreciation:				
Building and Improvements	(15,978,614)	(1,786,108)	2,665,759	(15,098,963)
Furniture, Fixtures, and Equipment	(18,566,374)	(2,979,847)	1,387,991	(20,158,230)
Infrastructure	(62,710,029)	(3,267,305)	899,911	(65,077,423)
Total Accumulated Depreciation	<u>(97,255,017)</u>	<u>(8,033,260)</u>	<u>4,953,661</u>	<u>(100,334,616)</u>
Total Capital Assets, being depreciated, net	<u>111,869,931</u>	<u>14,233,037</u>	<u>(1,601,455)</u>	<u>124,501,513</u>
Governmental Activities Capital Assets, Net	<u>\$132,241,663</u>	<u>\$31,076,355</u>	<u>(\$19,103,329)</u>	<u>\$144,214,689</u>
	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005
Business-Type Activities				
Capital Assets not being depreciated:				
Land	\$4,713,859	\$297,068	\$0	\$5,010,927
Construction in Progress	21,962,594	17,976,975	(7,577,932)	32,361,637
Total Capital Assets at Historical Cost not being depreciated	<u>26,676,453</u>	<u>18,274,043</u>	<u>(7,577,932)</u>	<u>37,372,564</u>
Capital Assets being depreciated:				
Structure	145,766,264	1,312,985	0	147,079,249
Machinery and Equipment	17,831,327	132,364	0	17,963,691
Distributions Systems	73,675,450	6,499,267	0	80,174,717
Collections Systems	111,895,823	7,123,223	0	119,019,046
Autos and Trucks	2,065,339	210,301	(65,417)	2,210,223
Total Capital Assets at Historical cost being depreciated	<u>351,234,203</u>	<u>15,278,140</u>	<u>(65,417)</u>	<u>366,446,926</u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE H: Capital Assets (Continued)

	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005
Business-Type Activities				
Less Accumulated Depreciation:				
Structure	(73,945,889)	(4,846,175)	0	(78,792,064)
Machinery and Equipment	(13,275,998)	(716,023)	0	(13,992,021)
Distributions Systems	(22,989,370)	(1,593,606)	0	(24,582,976)
Collections Systems	(42,821,839)	(2,615,108)	0	(45,436,947)
Autos and Trucks	(1,704,243)	(75,102)	65,417	(1,713,928)
Total Accumulated Depreciation	<u>(154,737,339)</u>	<u>(9,846,014)</u>	<u>65,417</u>	<u>(164,517,936)</u>
Total Capital Assets, being depreciated, net	<u>196,496,864</u>	<u>5,432,126</u>	<u>0</u>	<u>201,928,990</u>
Business-Type Activities Capital Assets, Net	<u>\$223,173,317</u>	<u>\$23,706,169</u>	<u>(\$7,577,932)</u>	<u>\$239,301,554</u>

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

Governmental Activities

General Government:

Legislative and Executive	\$1,179,458
Judicial	681,308
Public Safety	2,109,327
Public Works	3,266,839
Health	43,771
Human Services	234,509
Community Development	402,928
Transportation	115,120
Total Depreciation Expense Governmental Activities	<u>\$8,033,260</u>

Component Units' capital asset activity for the year ended December 31, 2005 was as follows:

	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005
Capital Assets not being depreciated:				
Land	\$482,517	\$0	(\$24,000)	\$458,517
Total Capital Assets at Historical Cost not being depreciated	<u>482,517</u>	<u>0</u>	<u>(24,000)</u>	<u>458,517</u>
Capital Assets being depreciated:				
Building and Improvements	11,101,080	6,729	(162,261)	10,945,548
Furniture, Fixtures, and Equipment	1,551,131	22,163	(16,713)	1,556,581
Total Capital Assets at Historical cost being depreciated	<u>12,652,211</u>	<u>28,892</u>	<u>(178,974)</u>	<u>12,502,129</u>
Less Accumulated Depreciation:				
Building and Improvements	(5,105,324)	(348,666)	27,082	(5,426,908)
Furniture, Fixtures, and Equipment	(1,319,135)	(72,586)	15,154	(1,376,567)
Total Accumulated Depreciation	<u>(6,424,459)</u>	<u>(421,252)</u>	<u>42,236</u>	<u>(6,803,475)</u>
Total Capital Assets, being depreciated, net	<u>6,227,752</u>	<u>(392,360)</u>	<u>(136,738)</u>	<u>5,698,654</u>
Capital Assets, Net	<u>\$6,710,269</u>	<u>(\$392,360)</u>	<u>(\$160,738)</u>	<u>\$6,157,171</u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE H: Capital Assets (Continued)

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

Health	\$85,594
Human Services	<u>335,658</u>
Total Depreciation Expense Component unit activities	<u><u>\$421,252</u></u>

NOTE I: Long-Term Debt and Obligations

Long-term debt and other obligations of the County at December 31, 2005 were as follows:

Governmental Activities

	Interest Rate %	Maturity	Balance 12/31/2004	Additions	Deletions	Balance 12/31/2005	Amounts Due in One Year
General Obligation Bonds							
1992 Correctional Facilities- \$7,310,000	3.0-6.0%	2009	\$1,130,000	\$0	\$200,000	\$930,000	\$210,000
1999 Communications Center- \$6,500,000	4.0-5.13%	2009	3,645,000	0	655,000	2,990,000	690,000
2001 Refunding Correctional Facilities- \$2,695,000	2.15-4.0%	2009	1,755,000	0	330,000	1,425,000	345,000
2001 Various Purposes - \$17,300,000	2.15-4.1%	2011	16,155,000	0	415,000	15,740,000	1,785,000
2003 Road Improvement & Refunding- \$14,950,000	1.15-4.375%	2023	4,735,000	0	470,000	4,265,000	505,000
2003 Building Construction Refunding - \$2,565,000	1.3-1.5%	2005	1,290,000	0	1,290,000	0	0
Total General Obligation Bonds			<u>\$28,710,000</u>	<u>\$0</u>	<u>\$3,360,000</u>	<u>\$25,350,000</u>	<u>\$3,535,000</u>

Ohio Public Works Commission

2002 Gibson Road Bridge Replacement-\$357,521			<u>\$312,831</u>	<u>\$0</u>	<u>\$17,876</u>	<u>\$294,955</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	\$25,000	\$0	\$5,000	\$20,000	\$5,000
1990 Water Line Extension - \$167,700	7.25%	2010	75,000	0	10,000	65,000	10,000
1990 Peggy Drive - \$85,000	7.12%	2010	38,000	0	5,000	33,000	6,000
1992 Waterline - \$97,300	5.875%	2012	40,000	0	5,000	35,000	5,000
1993 Murle Lane Sewer - \$93,000	5.50%	2013	45,000	0	5,000	40,000	5,000
1996 Mt. Zion Rd. Water Main - \$110,000	4.50%	2016	70,000	0	5,000	65,000	5,000
1998 Middle East Fork Sewer - \$1,165,000	4.75-5.25%	2017	685,000	0	80,000	605,000	85,000

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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

Governmental Activities

	Interest Rate %	Maturity	Balance 12/31/2004	Additions	Deletions	Balance 12/31/2005	Amounts Due in One Year
Special Assessment Bonds with Governmental Commitment							
1998 Bells Lane - \$405,000	4.50%	2008	185,000	0	45,000	140,000	45,000
1998 Ohio Water Project - \$185,000	4.90%	2018	155,000	0	10,000	145,000	10,000
1999 Woods Point - \$690,000	4.05-5.20%	2009	385,000	0	70,000	315,000	75,000
2000 Gibson Water - \$235,000	5.00-5.50%	2020	205,000	0	10,000	195,000	10,000
2000 State Route 125 Sewer - \$885,000	5.00-5.50%	2020	770,000	0	30,000	740,000	35,000
2001 Miamiville Road & Wards Corner Road - \$40,000	5.00%	2021	36,000	0	1,000	35,000	2,000
2002 Waterline Project - \$60,000	4.00-5.00%	2020	56,000	0	2,000	54,000	2,000
2002 Sanitary Sewer Project - \$260,000	4.00-5.00%	2020	240,000	0	12,000	228,000	12,000
2003 Various Purpose - \$240,000	2.00-4.75%	2023	231,000	0	8,000	223,000	9,000
2004 Olive Branch-Stonelick Widening - \$1,700,000	3.96%	2024	1,700,000	0	85,000	1,615,000	85,000
2004 North Afton Sewer - \$460,000	3.86%	2024	460,000	0	25,000	435,000	25,000
2005 Various Purpose - \$1,850,000	2.90-4.10%	2025	0	1,850,000	0	1,850,000	90,000
Total Special Assessment Bonds			<u>\$5,401,000</u>	<u>\$1,850,000</u>	<u>\$413,000</u>	<u>\$6,838,000</u>	<u>\$521,000</u>
Compensated Absences			<u>\$3,426,853</u>	<u>\$3,247,026</u>	<u>\$2,178,848</u>	<u>\$4,495,031</u>	<u>\$2,385,508</u>
Total Governmental Activities Long-Term Liabilities			<u><u>\$37,850,684</u></u>	<u><u>\$5,097,026</u></u>	<u><u>\$5,969,724</u></u>	<u><u>\$36,977,986</u></u>	<u><u>\$6,459,384</u></u>

Business-Type Activities

	Interest Rate %	Maturity	Balance 12/31/2004	Additions	Deletions	Balance 12/31/2005	Amounts Due in One Year
Sewer							
2003 Sewer System Refunding Revenue Bonds - \$39,345,000	2.0-4.9%	2024	\$37,560,000	\$0	\$1,635,000	\$35,925,000	\$1,665,000
Total Sewer Revenue Bonds			<u>37,560,000</u>	<u>0</u>	<u>1,635,000</u>	<u>35,925,000</u>	<u>1,665,000</u>
Ohio Water Development Authority Notes - \$2,900,437	5.2-6.5%	2014	1,452,830	0	148,428	1,304,402	156,499
OPWC Loans - \$5,149,610	2.00%	2023	6,408,042	0	620,880	5,787,162	285,161
Total Sewer			<u><u>\$45,420,872</u></u>	<u><u>\$0</u></u>	<u><u>\$2,404,308</u></u>	<u><u>\$43,016,564</u></u>	<u><u>\$2,106,660</u></u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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

Business-Type Activities

	Interest Rate %	Maturity	Balance 12/31/2004	Additions	Deletions	Balance 12/31/2005	Amounts Due in One Year
Water							
2003 Waterworks System Refunding Revenue Bonds - \$37,020,000	1.2-5.25%	2018	\$34,965,000	\$0	\$1,950,000	\$33,015,000	\$2,005,000
Total Water Revenue Bonds			<u>34,965,000</u>	<u>0</u>	<u>1,950,000</u>	<u>33,015,000</u>	<u>2,005,000</u>
OPWC Loans - \$588,000	0.00%	2025	528,696		26,435	502,261	26,435
Total Water			<u>\$35,493,696</u>	<u>\$0</u>	<u>\$1,976,435</u>	<u>\$33,517,261</u>	<u>\$2,031,435</u>
Total Business-Type Activities			<u>\$80,914,568</u>	<u>\$0</u>	<u>\$4,380,743</u>	<u>\$76,533,825</u>	<u>\$4,138,095</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
2006	\$ 3,535,000	\$ 1,001,333	\$ 521,000	\$ 312,162
2007	3,690,000	863,983	525,000	274,186
2008	3,910,000	724,246	488,000	252,683
2009	4,065,000	568,067	453,000	232,243
2010	4,260,000	405,566	364,000	212,768
2011-2015	5,310,000	394,999	1,797,000	839,493
2016-2020	340,000	96,584	1,710,000	440,056
2021-2025	240,000	21,419	980,000	113,899
TOTAL	<u>\$25,350,000</u>	<u>\$4,076,197</u>	<u>\$6,838,000</u>	<u>\$2,677,490</u>

OPWC GIBSON ROAD BRIDGE PROJECTION LOAN

Year	Principal	Interest
2006	\$ 17,876	\$ 0
2007	17,876	0
2008	17,876	0
2009	17,876	0
2010	17,876	0
2011-2015	89,380	0
2016-2020	89,380	0
2021-2022	26,815	0
TOTAL	<u>\$294,955</u>	<u>\$0</u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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

Year	SEWER REVENUE BONDS		WATER REVENUE BONDS	
	Principal	Interest	Principal	Interest
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	1,875,000	1,240,970	2,285,000	1,183,850
2011-2015	10,570,000	5,017,250	12,935,000	4,407,487
2016-2020	12,935,000	2,643,700	9,400,000	1,003,800
2021-2025	3,625,000	241,072	0	0
TOTAL	<u>\$35,925,000</u>	<u>\$14,688,472</u>	<u>\$33,015,000</u>	<u>\$12,068,347</u>

Year	OWDA LOANS		OPWC LOANS	
	Principal	Interest	Principal	Interest
2006	\$ 156,499	\$ 68,673	\$ 311,596	\$ 10,851
2007	165,011	60,161	377,072	9,705
2008	173,988	51,184	378,242	8,535
2009	183,456	41,715	379,436	7,342
2010	193,443	31,728	380,653	6,124
2011-2015	432,005	32,397	1,854,152	11,826
2016-2020	0	0	1,420,097	0
2021-2025	0	0	1,123,845	0
2026	0	0	64,330	0
TOTAL	<u>\$1,304,402</u>	<u>\$285,858</u>	<u>\$6,289,423</u>	<u>\$54,383</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 2005, the County issued \$1,850,000 in special assessment bonds. The bonds were consolidated into one special assessment issue for the Marcie Lane Sewer Project, the State Route 131 Sewer Project, the State Route 727 Water Project, and the Valley Lane Water Project.

OPWC Loan

OPWC loans payable at December 31, 2005, consist of various individual loans totaling \$5,787,162 due to the Ohio Public Works Commission for specified sewer system construction costs. During 2004, the County received two additional non-interest bearing loans totaling \$2,286,600. Payments of principal and interest are payable semi-annually through 2026 and include interest at rates ranging from 0 to 2 percent per annum. During 2005, various loans were finalized resulting in a reduction of OPWC loans payable of \$399,685. This reduction is reflected as part of the \$620,880 in deletions during 2005.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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

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 \$41,077 at December 31, 2005. 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 \$29,521,897 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. On December 31, 2005, \$8,185,000 general obligation bonds and \$435,000 of revenue bonds are considered defeased.

Leases: The County had no material capital or operating leases for the year ended December 31, 2005.

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 2005 fiscal year, the Water Fund and Sewer Fund were required to maintain 110% coverage ratios. The coverage ratios for 2005, based on operating income, system capacity charges and investment income and excluding depreciation for the Water Fund and Sewer Fund, were 226% and 348% respectively, which both met their legal requirements.

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, 2005 were as follows:

	Interest Rate %	Maturity	Balance 12/31/2004	Additions	Deletions	Balance 12/31/2005	Amounts Due in One Year
1991 MHRB FHA Loan- \$244,000	7.00%	2018	\$175,665	\$0	\$7,663	\$168,002	\$8,215
1996 MHRB FHA Loan- \$624,000	5.75%	2025	419,378	0	20,769	398,609	21,992
Compensated Absences			775,046	370,602	356,888	788,760	394,335
Total Long-term Obligations			<u>\$1,370,089</u>	<u>\$370,602</u>	<u>\$385,320</u>	<u>\$1,355,371</u>	<u>\$424,542</u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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

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

MHRB LOANS		
Year	Principal	Interest
2006	\$30,207	\$33,847
2007	32,101	31,955
2008	34,113	29,943
2009	36,252	27,804
2010	38,527	25,529
2011-2015	232,126	88,154
2016-2018	163,285	14,920
TOTAL	\$566,611	\$252,152

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, 2005, it is estimated that \$128,746,287 was still outstanding of previously issued bonds.

NOTE K: Defined Benefit Pension Plans

Public Employees Retirement System:

All 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 as described below:

- The Traditional Pension Plan - a cost sharing multiple-employer defined benefit pension plan;
- The Member-Directed Plan - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member-Directed Plan members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings.
- The Combined Plan - a cost-sharing multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE K: Defined Benefit Pension Plans (Continued)

OPERS, 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. The authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS, issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-6701 or 800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, 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 2005 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 2005 employer contribution rate was 13.55% of covered payroll. The 2005 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, 2005, 2004 and 2003 were \$7,638,660, \$7,304,304, and \$6,885,599 respectively, 100% has been contributed for the years 2005, 2004, and 2003.

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 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.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE K: Defined Benefit Pension Plans (Continued)

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 2005 was 10% for employees. The employer contribution rate for 2005 was 14% of covered payroll. The County's contributions to STRS for the years ended December 31, 2005, 2004, and 2003 were \$146,308, \$163,836, and \$166,884 respectively, 100% has been contributed for the years 2005, 2004 and 2003.

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 2005 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, 2004. 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 2004 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%.

At December 31, 2005, the total number of active contributing participants was 376,109. The 2005 rate of 4.00% was the actuarially determined contribution requirements for OPERS. As of December 31, 2004, the net assets available for future OPEB were \$10.8 billion. The County's actual contributions for 2005 which were used to fund OPEB were \$1,951,519 for employees other than law enforcement and \$194,374 for law enforcement employees. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$29.5 billion and \$18.7 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.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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

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 2005. The County's actual contribution for 2005 which were used to fund the Health Care Reserve was \$10,475. As of June 30, 2005, eligible benefits recipients totaled 115,395. For the year ended June 30, 2005, net health care costs paid by STRS were \$254.8 million.

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.

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.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE N: Contingencies and Commitments (Continued)

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 2005 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, 2005, 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	\$1,471,492	\$1,095,430	\$376,062
Road Improvement	Planning & Development Capital	208,190	41,754	166,436
Detention Construction	Detention Capital	10,243,022	7,738,614	2,504,408
Justice Buildings Construction	Justice Capital	1,614,903	692,372	922,531
Miscellaneous Construction	County Capital	1,383,546	484,472	899,074
Water	Water District	9,692,024	6,210,491	3,481,533
Sewer	Sewer District	22,177,350	9,883,100	12,294,250
Total		<u>\$46,790,527</u>	<u>\$26,146,233</u>	<u>\$20,644,294</u>

NOTE O: Federal and State Grants

The County participates in a number of Federal and State assisted grant programs. The significant programs are: Work Force Investment Act Grants, Community Development Block grants, Food Stamp Program, Homeland Security grants, 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 June 2, 2006, 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 P: Amendments to Original Appropriations Budget

Amendments to the County's original appropriation beyond the object level must be approved by the Board of County Commissioners. In 2005, the original appropriation measure was increased and decreased by the Commissioners with the net effect as follows: General Fund, \$10,888,097; Special Revenue Funds, \$9,897,920; Capital Project Funds, \$2,257,628; and Debt Service Funds, \$1,972.

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE Q: 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.

A summary of transfers is as follows:

Transfer To	Transfer From					Total
	General	M V & G	County Capital	Nonmajor Governmental	Internal Service	
General	\$0	\$0	\$0	\$0	\$0	\$0
Social Services	934,303	0	0	0	0	934,303
County Capital	681,900	0	0	0	0	681,900
Nonmajor Governmental	4,954,235	17,876	3,418,049	0	180,000	8,570,160
Internal Service	16,115	0	0	0	0	16,115
Water	0	0	0	1,789,515	0	1,789,515
TOTALS	<u>\$6,586,553</u>	<u>\$17,876</u>	<u>\$3,418,049</u>	<u>\$1,789,515</u>	<u>\$180,000</u>	<u>\$11,991,993</u>

The County's Capital Improvement Fund transferred \$242,000 to the Community Development Projects Fund and \$3,176,049 to the Debt Service Funds for the payment of debt.

The County issued and sold \$1,850,000 of bonds in anticipation of special assessments levied for the purpose of construction of various water and sewer projects during 2005. The Water and Sewer Funds administrate the construction and maintenance of these projects. Consequently, the County's Community Development Projects Fund contributed \$1,789,515 to the Water Fund via transfers.

NOTE R: Interfund Receivables/Payables

Individual fund interfund assets/liabilities balances as of December 31, 2005, related to the primary government were as follows:

GOVERNMENTAL ACTIVITIES	ASSET	LIABILITY
	Interfund Receivable	Interfund Payable
General	\$1,249,445	\$108,403
Social Service		500,000
Special Assessment Debt Service		44,090
Nonmajor Governmental Funds		749,445
BUSINESS-TYPE ACTIVITIES		
Water	36,830	0
Sewer	115,663	0
TOTAL	<u>\$1,401,938</u>	<u>\$1,401,938</u>

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE R: Interfund Receivables/Payables (Continued)

During 2005, the County General Fund made advances to nonmajor governmental funds in the amount of \$151,755 in anticipation of intergovernmental grant revenue and charges for services 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, 2005, the sale of the assets resulted in the County General fund recognizing an interfund payable of \$108,403 and the Water and Sewer funds recognizing an interfund receivable in the amounts of \$36,830 and \$71,573 respectively. The Sewer Fund advanced \$44,090 to the Special Assessment Debt Service Fund for principal and interest payments.

NOTE S: 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 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. 2005 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, Humana 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 \$685.98 for family coverage and \$326.14 for individual coverage per employee per month which represents a 75% of the entire premium required (employees pay in 25% of the premium). The premium is paid by the fund that pays the salary for the

Clermont County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE S: Risk Management (Continued)

employee and is based on historic cost information. The claims liability of \$838,853 reported in the Health Insurance fund at December 31, 2005, 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 2005 were:

	<u>Claims Balance Beginning of Year</u>	<u>Claims and Changes in Claims Estimate</u>	<u>Claims Payments</u>	<u>Claims Balance at Year End</u>
2004	\$1,214,712	\$8,607,656	(\$9,057,996)	\$764,372
2005	\$764,372	\$8,088,497	(\$8,014,016)	\$838,853

NOTE T: SUBSEQUENT EVENTS

In December 2005, the County entered into contracts to purchase 99 acres of land. In January 2006 and in April 2006, the County purchased 99 acres located in Union Township in the amount of \$8,142,400 for economic development. In March 2006, the Board of County Commissioners transferred 30.6 acres to the Clermont County Community Improvement Corporation, Inc. for the consideration of one dollar. At the time of the transfer, a member of the Clermont County Community Improvement Corporation, Inc. is the husband of the President of the Board of County Commissioners.

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.

Clermont County, Ohio
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2005

	Nonmajor Special Revenue Funds			
	Health and Solid Waste District	Real Estate Assessment	Other Legislative	Public Safety
Assets				
Equity in Pooled Cash and Cash Equivalents	\$884,089	\$3,738,439	\$919,794	\$3,764,859
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	0
Receivables:				
Accounts	188	4,111	5,609	24,398
Special Assessments	0	0	0	0
Accrued Interest	0	0	0	1,468
Intergovernmental	16,980	0	0	1,932,238
Prepaid Items	0	0	0	1,803
Loans Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$901,257</u>	<u>\$3,742,550</u>	<u>\$925,403</u>	<u>\$5,724,766</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$41,360	\$16,873	\$23,053	\$136,870
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	1,652	35,586	22,116	69,323
Intergovernmental Payable	2,094	5,268	3,106	13,840
Interfund payable	0	0	0	19,000
Deferred Revenue	17,077	0	0	1,575,775
<i>Total Liabilities</i>	<u>62,183</u>	<u>57,727</u>	<u>48,275</u>	<u>1,814,808</u>
Fund Balances				
Reserved for Encumbrances	26,733	268,525	92,874	46,046
Reserved for Loans	0	0	0	0
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	812,341	3,416,298	784,254	3,863,912
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>839,074</u>	<u>3,684,823</u>	<u>877,128</u>	<u>3,909,958</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$901,257</u>	<u>\$3,742,550</u>	<u>\$925,403</u>	<u>\$5,724,766</u>

					Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	
Community Transportation	Judicial Programs	Community Development	Computer Legal Research	Storm Water	County Debt Service	Public Safety Projects	Social Services Projects
\$306,202	\$445,533	\$141,131	\$1,663,587	\$405,350	\$179,647	\$5,526,735	\$1,137,950
0	0	0	0	0	1,839	0	0
125,766	411	0	772	120	0	0	0
0	0	0	0	0	4,367,666	0	0
0	0	219	0	0	0	0	0
141,503	62,574	64,972	0	0	0	2,036,850	0
4,669	0	0	16,072	0	0	0	0
0	0	138,952	0	0	0	0	0
<u>\$578,140</u>	<u>\$508,518</u>	<u>\$345,274</u>	<u>\$1,680,431</u>	<u>\$405,470</u>	<u>\$4,549,152</u>	<u>\$7,563,585</u>	<u>\$1,137,950</u>
\$64,410	\$2,160	\$4,511	\$5,949	\$57,331	0	0	0
0	0	0	0	0	0	1,364,548	427
14,360	9,865	2,966	3,716	0	0	0	0
2,089	1,481	443	3,319	9,190	0	0	0
0	0	50,000	0	614,690	0	0	0
92,114	58,666	65,114	0	0	4,366,839	1,120,832	0
<u>172,973</u>	<u>72,172</u>	<u>123,034</u>	<u>12,984</u>	<u>681,211</u>	<u>4,366,839</u>	<u>2,485,380</u>	<u>427</u>
13,634	126	41,901	3,303	52,995	0	1,175,219	2,572
0	0	138,952	0	0	0	0	0
391,533	436,220	41,387	1,664,144	(328,736)	0	0	0
0	0	0	0	0	182,313	0	0
0	0	0	0	0	0	3,902,986	1,134,951
<u>405,167</u>	<u>436,346</u>	<u>222,240</u>	<u>1,667,447</u>	<u>(275,741)</u>	<u>182,313</u>	<u>5,078,205</u>	<u>1,137,523</u>
<u>\$578,140</u>	<u>\$508,518</u>	<u>\$345,274</u>	<u>\$1,680,431</u>	<u>\$405,470</u>	<u>\$4,549,152</u>	<u>\$7,563,585</u>	<u>\$1,137,950</u>

Continued

Clermont County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005 -Continued

	Nonmajor Capital Projects Funds			Total NonMajor Governmental Funds
	Communication Center Projects	Judicial Projects	Community Development Projects	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,322,609	\$2,347,353	\$1,857,164	\$24,640,442
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	1,839
Receivables:				
Accounts	0	812	0	162,187
Special Assessments	0	0	0	4,367,666
Accrued Interest	0	0	0	1,687
Intergovernmental	0	0	0	4,255,117
Prepaid Items	0	0	0	22,544
Loans Receivable	0	0	0	138,952
<i>Total Assets</i>	<u>\$1,322,609</u>	<u>\$2,348,165</u>	<u>\$1,857,164</u>	<u>\$33,590,434</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	0	0	0	\$352,517
Contracts Payable	15,457	69,351	89,940	1,539,723
Accrued Wages and Benefits	0	0	0	159,584
Intergovernmental Payable	0	0	0	40,830
Interfund payable	0	0	65,755	749,445
Deferred Revenue	0	0	0	7,296,417
<i>Total Liabilities</i>	<u>15,457</u>	<u>69,351</u>	<u>155,695</u>	<u>10,138,516</u>
Fund Balances				
Reserved for Encumbrances	26	970,767	161,358	2,856,079
Reserved for Loans	0	0	0	138,952
Unreserved				
Undesignated, Reported in:				
Special Revenue Funds	0	0	0	11,081,353
Debt Service Funds	0	0	0	182,313
Capital Projects Funds	1,307,126	1,308,047	1,540,111	9,193,221
<i>Total Fund Balances</i>	<u>1,307,152</u>	<u>2,278,814</u>	<u>1,701,469</u>	<u>23,451,918</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,322,609</u>	<u>\$2,348,165</u>	<u>\$1,857,164</u>	<u>\$33,590,434</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, 2005

	Nonmajor Special Revenue Funds				
	Health and Solid Waste District	Real Estate Assessment	Other Legislative	Public Safety	Community Transportation
Revenues					
Property and Other Taxes	\$0	\$430,014	\$0	\$0	\$0
Charges for Services	264,534	2,199,520	1,060,029	171,004	864,474
Licenses and Permits	231,800	560	0	53,730	0
Fines and Forfeitures	33,563	0	0	227,965	0
Intergovernmental	80,374	0	0	3,739,608	1,009,137
Special Assessments	0	0	0	0	0
Investment Earnings	0	25,604	0	86,900	0
Net Decrease in Fair Value of Investments	0	0	0	(1,787)	0
Other	17,875	12	0	6,908	6,084
<i>Total Revenues</i>	<u>628,146</u>	<u>2,655,710</u>	<u>1,060,029</u>	<u>4,284,328</u>	<u>1,879,695</u>
Expenditures					
Current:					
General Government					
Legislative and Executive	0	1,893,916	971,726	0	0
Judicial	0	0	0	0	0
Public Safety	0	0	0	4,294,014	0
Public Works	0	0	0	0	0
Health	651,269	0	0	0	0
Community Development	0	0	0	0	0
Transportation	0	0	0	0	1,501,225
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>651,269</u>	<u>1,893,916</u>	<u>971,726</u>	<u>4,294,014</u>	<u>1,501,225</u>
Excess of Revenues Over (Under) Expenditures	<u>(23,123)</u>	<u>761,794</u>	<u>88,303</u>	<u>(9,686)</u>	<u>378,470</u>
Other Financing Sources (Uses)					
Transfers In	0	0	50,000	379,244	0
Transfers Out	0	0	0	0	0
Proceeds from the Sale of Capital Assets	0	0	0	45,818	8,000
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>50,000</u>	<u>425,062</u>	<u>8,000</u>
Net Change in Fund Balances	(23,123)	761,794	138,303	415,376	386,470
Fund Balances (Deficit) at Beginning of Year	<u>862,197</u>	<u>2,923,029</u>	<u>738,825</u>	<u>3,494,582</u>	<u>18,697</u>
Fund Balances (Deficit) End of Year	<u><u>\$839,074</u></u>	<u><u>\$3,684,823</u></u>	<u><u>\$877,128</u></u>	<u><u>\$3,909,958</u></u>	<u><u>\$405,167</u></u>

				Nonmajor Debt Service Fund	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
215,653	1,233	430,315	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
187,187	1,076,444	0	0	0	4,073,207	0
0	0	0	0	474,229	0	0
0	827	0	0	1,899	103,509	0
0	(267)	0	0	0	0	0
4,007	4,674	0	7,517	0	0	0
406,847	1,082,911	430,315	7,517	476,128	4,176,716	0
0	0	0	0	0	0	0
398,764	0	417,210	0	0	0	0
0	0	0	0	0	0	0
0	0	0	250,807	0	0	0
0	0	0	0	0	0	0
0	1,220,415	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	9,149,666	19,190
0	569,756	0	0	0	0	0
0	0	0	0	3,377,876	0	0
0	0	0	0	1,099,683	0	0
398,764	1,790,171	417,210	250,807	4,477,559	9,149,666	19,190
8,083	(707,260)	13,105	(243,290)	(4,001,431)	(4,972,950)	(19,190)
154,945	0	0	0	4,023,740	537,040	195,200
0	0	0	0	0	0	0
0	0	112	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
154,945	0	112	0	4,023,740	537,040	195,200
163,028	(707,260)	13,217	(243,290)	22,309	(4,435,910)	176,010
273,318	929,500	1,654,230	(32,451)	160,004	9,514,115	961,513
\$436,346	\$222,240	\$1,667,447	(\$275,741)	\$182,313	\$5,078,205	\$1,137,523

Continued

Clermont County, Ohio

*Combining Statement of Revenues, Expenditures and
Changes in Fund Balances*

Nonmajor Governmental Funds

For the Year Ended December 31, 2005 - Continued

	Nonmajor Capital Projects Funds			Total Nonmajor Governmental Funds
	Communication Center Projects	Judicial Projects	Community Development Projects	
Revenues				
Property and Other Taxes	\$0	\$0	\$0	\$430,014
Charges for Services	0	0	0	5,206,762
Licenses and Permits	0	0	0	286,090
Fines and Forfeitures	0	0	0	261,528
Intergovernmental	0	0	1,018,672	11,184,629
Special Assessments	0	0	0	474,229
Investment Earnings	0	9,319	0	228,058
Net Decrease in Fair Value of Investments	0	0	0	(2,054)
Other	0	0	66,733	113,810
<i>Total Revenues</i>	<u>0</u>	<u>9,319</u>	<u>1,085,405</u>	<u>18,183,066</u>
Expenditures				
Current:				
General Government				
Legislative and Executive	0	0	0	2,865,642
Judicial	0	0	0	815,974
Public Safety	0	0	0	4,294,014
Public Works	0	0	0	250,807
Health	0	0	0	651,269
Community Development	0	0	0	1,220,415
Transportation	0	0	0	1,501,225
Capital Outlay	380,632	306,667	2,844,740	12,700,895
Intergovernmental	0	0	0	569,756
Debt Service:				
Principal Retirement	0	0	0	3,377,876
Interest and Fiscal Charges	0	0	0	1,099,683
<i>Total Expenditures</i>	<u>380,632</u>	<u>306,667</u>	<u>2,844,740</u>	<u>29,347,556</u>
Excess of Revenues Over (Under) Expenditures	<u>(380,632)</u>	<u>(297,348)</u>	<u>(1,759,335)</u>	<u>(11,164,490)</u>
Other Financing Sources (Uses)				
Transfers In	308,191	679,800	2,242,000	8,570,160
Transfers Out	0	0	(1,789,515)	(1,789,515)
Proceeds from the Sale of Capital Assets	0	0	0	53,930
Special Assessment Bonds Issued	0	0	1,850,000	1,850,000
Other Financing (Uses) - Discount	0	0	(60,485)	(60,485)
<i>Total Other Financing Sources (Uses)</i>	<u>308,191</u>	<u>679,800</u>	<u>2,242,000</u>	<u>8,624,090</u>
Net Change in Fund Balances	(72,441)	382,452	482,665	(2,540,400)
Fund Balances (Deficit) at Beginning of Year	<u>1,379,593</u>	<u>1,896,362</u>	<u>1,218,804</u>	<u>25,992,318</u>
Fund Balances (Deficit) End of Year	<u>\$1,307,152</u>	<u>\$2,278,814</u>	<u>\$1,701,469</u>	<u>\$23,451,918</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, 2005

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Revenues:				
Taxes	\$ 28,309,150	\$ 28,309,150	\$ 27,871,492	\$ (437,658)
Charges for services	10,944,970	10,944,970	11,970,388	1,025,418
Licenses and permits	1,313,800	1,313,800	1,672,853	359,053
Fines and forfeitures	1,470,851	1,470,851	1,407,763	(63,088)
Intergovernmental	4,559,199	4,661,524	4,621,495	(40,029)
Investment earnings	3,015,800	3,015,800	3,032,008	16,208
Other revenues	<u>979,900</u>	<u>979,900</u>	<u>1,219,825</u>	<u>239,925</u>
Total revenues	<u>50,593,670</u>	<u>50,695,995</u>	<u>51,795,824</u>	<u>1,099,829</u>
Expenditures:				
Current:				
General Government				
Legislative and executive				
Commissioners				
Personal services	1,004,937	994,337	972,045	22,292
Purchased services	226,224	220,806	211,383	9,423
Materials and supplies	19,032	34,427	22,356	12,071
Maintenance and repair	10,553	7,534	4,791	2,743
Utilities	<u>18,007</u>	<u>18,242</u>	<u>18,242</u>	<u>0</u>
Total Commissioners	<u>1,278,753</u>	<u>1,275,346</u>	<u>1,228,817</u>	<u>46,529</u>
Human Resources				
Personal services	321,622	321,622	269,546	52,076
Purchased services	12,051	11,900	10,521	1,379
Materials and supplies	7,447	7,446	7,341	105
Maintenance and repair	5,667	4,108	3,208	900
Utilities	<u>3,566</u>	<u>3,502</u>	<u>3,502</u>	<u>0</u>
Total Human Resources	<u>350,353</u>	<u>348,578</u>	<u>294,118</u>	<u>54,460</u>
Department of Management & Budget				
Personal services	295,208	296,278	277,483	18,795
Purchased services	39,272	39,082	31,084	7,998
Materials and supplies	10,611	10,298	5,697	4,601
Maintenance and repair	13,755	13,316	6,979	6,337
Utilities	<u>5,318</u>	<u>3,827</u>	<u>2,855</u>	<u>972</u>
Total Dept. of Management & Budget	<u>364,164</u>	<u>362,801</u>	<u>324,098</u>	<u>38,703</u>
Facilities Maintenance				
Personal services	693,419	710,149	694,373	15,776
Purchased services	523,718	430,756	418,229	12,527
Materials and supplies	180,464	170,347	169,239	1,108
Maintenance and repair	103,258	101,373	92,651	8,722
Utilities	<u>1,061,437</u>	<u>1,346,582</u>	<u>1,346,582</u>	<u>0</u>
Total Facilities Maintenance	<u>2,562,296</u>	<u>2,759,207</u>	<u>2,721,074</u>	<u>38,133</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, 2005

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Auditor - General Office				
Personal services	\$ 893,899	\$ 893,899	\$ 850,069	\$ 43,830
Purchased services	21,900	21,900	21,516	384
Materials and supplies	34,967	34,297	33,736	561
Maintenance and repair	27,045	27,044	23,267	3,777
Utilities	9,891	9,674	9,674	0
Total Auditor - General Office	987,702	986,814	938,262	48,552
Auditor - Personal Property				
Personal services	48,186	48,186	42,646	5,540
Purchased services	3,000	3,000	2,670	330
Materials and supplies	4,308	4,241	3,924	317
Maintenance and repair	2,000	2,000	0	2,000
Utilities	425	425	425	0
Total Auditor-Personal Property	57,919	57,852	49,665	8,187
Information Systems				
Personal services	1,536,064	1,532,364	1,454,889	77,475
Purchased services	208,284	197,651	189,253	8,398
Materials and supplies	54,627	51,247	40,823	10,424
Maintenance and repair	383,885	383,326	351,000	32,326
Utilities	160,057	156,038	146,038	10,000
Total Information Systems	2,342,917	2,320,626	2,182,003	138,623
Records Retention				
Personal services	123,687	127,387	126,444	943
Purchased services	38,606	35,195	34,697	498
Materials and supplies	9,106	9,040	8,887	153
Maintenance and repair	13,840	17,039	16,977	62
Utilities	3,703	3,606	3,306	300
Total Records Retention	188,942	192,267	190,311	1,956
Budget Commission				
Purchased services	500	500	500	0
Materials and supplies	900	900	833	67
Total Budget Commission	1,400	1,400	1,333	67
Board of Revision				
Purchased services	3,000	3,000	1,757	1,243
Materials and supplies	2,059	2,000	725	1,275
Total Board of Revision	5,059	5,000	2,482	2,518
Bureau of Inspection				
Purchased services	92,082	92,082	83,128	8,954
Utilities	600	600	555	45
Total Bureau of Inspection	92,682	92,682	83,683	8,999

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, 2005

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Auditor - BMV				
Personal services	\$ 320,517	\$ 320,517	\$ 307,810	\$ 12,707
Purchased services	32,901	32,900	32,408	492
Materials and supplies	2,695	2,344	2,335	9
Maintenance and repair	200	200	0	200
Utilities	4,119	4,073	4,073	0
Other expenditures	0	300	300	0
Total Auditor - BMV	360,432	360,334	346,926	13,408
Auditor - Tax Map				
Personal services	106,988	106,988	71,311	35,677
Purchased services	2,000	2,000	1,492	508
Materials and supplies	6,791	6,791	5,849	942
Maintenance and repair	12,322	12,322	12,302	20
Utilities	2,129	2,070	2,070	0
Total Auditor - Tax Map	130,230	130,171	93,024	37,147
Treasurer				
Personal services	510,175	510,175	472,650	37,525
Purchased services	119,801	116,680	107,328	9,352
Materials and supplies	84,428	82,665	79,556	3,109
Maintenance and repair	31,626	31,064	29,073	1,991
Utilities	9,214	8,956	8,676	280
Total Treasurer	755,244	749,540	697,283	52,257
Prosecuting Attorney				
Personal services	2,294,309	2,294,309	2,201,976	92,333
Purchased services	73,020	64,466	62,390	2,076
Materials and supplies	26,397	24,553	17,018	7,535
Maintenance and repair	15,450	14,326	10,504	3,822
Utilities	18,099	17,582	16,332	1,250
Total Prosecuting Attorney	2,427,275	2,415,236	2,308,220	107,016
Board of Elections				
Personal services	559,692	549,792	542,131	7,661
Purchased services	353,873	493,703	490,100	3,603
Materials and supplies	76,637	170,759	147,826	22,933
Maintenance and repair	14,182	18,782	17,810	972
Utilities	7,827	7,804	6,865	939
Total Board of Elections	1,012,211	1,240,840	1,204,732	36,108
Recorder				
Personal services	431,695	431,695	415,570	16,125
Purchased services	42,500	37,500	10,612	26,888
Materials and supplies	18,418	13,097	9,576	3,521
Maintenance and repair	9,543	9,543	6,589	2,954
Utilities	8,052	8,052	8,052	0
Total Recorder	510,208	499,887	450,399	49,488

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, 2005

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Insurance, Health and Judgements				
Personal services	\$ 234,840	\$ 224,131	\$ 195,646	\$ 28,485
Purchased services	671,000	1,173,000	1,170,197	2,803
Total Insurance, Health and Judgements	905,840	1,397,131	1,365,843	31,288
Legislative and Executive Grants				
Personal services	10,000	8,930	0	8,930
Purchased services	620,549	562,813	520,815	41,998
Other Expenditures	202,942	3,081	0	3,081
Total Legislative and Executive Grants	833,491	574,824	520,815	54,009
Capital Purchases				
Material and Supplies	240,641	339,202	318,130	21,072
Maintenance and repair	15,000	15,000	4,713	10,287
Capital outlay	1,340,564	1,238,967	931,513	307,454
Total Capital Purchases	1,596,205	1,593,169	1,254,356	338,813
Total legislative and executive	16,763,323	17,363,705	16,257,444	1,106,261
Judicial				
Court of Appeals				
Purchased services	130,000	137,962	137,962	0
Common Pleas Court				
Personal services	736,164	736,264	733,415	2,849
Purchased services	217,778	221,913	221,772	141
Materials and supplies	26,118	26,118	25,705	413
Maintenance and repair	10,925	12,475	11,447	1,028
Utilities	16,064	14,714	14,674	40
Total Common Pleas Court	1,007,049	1,011,484	1,007,013	4,471
Jury Commission				
Personal services	160,510	160,410	158,269	2,141
Purchased services	12,050	5,000	3,574	1,426
Materials and supplies	7,163	8,155	7,524	631
Maintenance and repair	1,551	1,551	645	906
Utilities	4,150	4,106	3,566	540
Total Jury Commission	185,424	179,222	173,578	5,644
Law Library				
Personal services	141,799	141,799	140,032	1,767
Utilities	590	580	580	0
Total Law Library	142,389	142,379	140,612	1,767
Domestic Relations Court				
Personal services	843,839	873,045	855,757	17,288
Purchased services	31,717	28,207	26,414	1,793
Materials and supplies	23,640	27,140	18,590	8,550
Maintenance and repair	6,203	6,203	1,574	4,629
Utilities	10,500	10,950	10,895	55
Total Domestic Relations Court	915,899	945,545	913,230	32,315

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, 2005

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Juvenile Court				
Personal services	\$ 1,175,781	\$ 1,135,127	\$ 1,070,078	\$ 65,049
Purchased services	138,498	110,018	109,983	35
Materials and supplies	36,616	49,306	48,978	328
Maintenance and repair	7,742	7,242	5,912	1,330
Utilities	14,414	16,520	14,416	2,104
Total Juvenile Court	1,373,051	1,318,213	1,249,367	68,846
Probate Court				
Personal services	303,570	303,570	299,618	3,952
Purchased services	24,220	23,920	22,041	1,879
Materials and supplies	9,297	9,298	9,155	143
Maintenance and repair	4,301	4,301	4,282	19
Utilities	4,872	4,200	3,974	226
Total Probate Court	346,260	345,289	339,070	6,219
Clerk - Common Pleas Court				
Personal services	759,166	759,166	732,186	26,980
Purchased services	86,254	57,015	56,763	252
Materials and supplies	114,162	123,358	122,232	1,126
Maintenance and repair	11,165	8,500	6,573	1,927
Utilities	10,939	12,140	12,140	0
Total Clerk - Common Pleas Court	981,686	960,179	929,894	30,285
Clerk - Municipal Court				
Personal services	1,136,348	1,136,348	1,107,322	29,026
Purchased services	27,632	22,456	21,889	567
Materials and supplies	88,308	87,791	87,656	135
Maintenance and repair	3,906	3,906	3,906	0
Utilities	16,556	14,444	14,444	0
Total Clerk - Municipal Court	1,272,750	1,264,945	1,235,217	29,728
Public Defender				
Personal services	984,427	1,033,162	1,031,450	1,712
Purchased services	31,373	31,373	31,339	34
Materials and supplies	8,301	8,212	7,158	1,054
Maintenance and repair	2,080	2,081	1,490	591
Utilities	7,000	9,500	9,296	204
Other expenditures	0	1,000	633	367
Total Public Defender	1,033,181	1,085,328	1,081,366	3,962
Municipal Court				
Personal services	855,317	863,409	850,573	12,836
Purchased services	35,480	37,480	37,480	0
Materials and supplies	13,804	15,292	14,795	497
Maintenance and repair	5,083	5,083	4,968	115
Utilities	9,000	13,525	13,525	0
Total Municipal Court	918,684	934,789	921,341	13,448
DUI Court				
Personal services	0	83,688	37,391	46,297
Purchased services	0	10,550	7,768	2,782
Materials and supplies	0	8,114	1,347	6,767
Total DUI Court	0	102,352	46,506	55,846

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, 2005

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Judicial Grants				
Other expenditures	\$ 2,630	\$ 2,630	\$ 2,630	\$ 0
Total judicial	8,309,003	8,430,317	8,177,786	252,531
Public safety				
Communications Center				
Personal services	1,308,731	1,308,731	1,163,108	145,623
Purchased services	401,130	341,907	324,199	17,708
Materials and supplies	29,253	67,862	32,254	35,608
Maintenance and repair	664,832	643,622	632,546	11,076
Utilities	89,813	88,707	72,623	16,084
Total Communications Center	2,493,759	2,450,829	2,224,730	226,099
Building Inspection/Permit Central				
Personal services	1,025,949	1,025,949	933,820	92,129
Purchased services	90,079	88,565	85,560	3,005
Materials and supplies	48,014	47,183	46,442	741
Maintenance and repair	21,053	20,877	17,003	3,874
Utilities	14,150	13,903	13,903	0
Other expenditures	3,000	3,000	2,195	805
Total Building Inspection/Permit Central	1,202,245	1,199,477	1,098,923	100,554
County Coroner				
Personal services	148,597	148,597	143,921	4,676
Purchased services	133,038	131,680	131,673	7
Materials and supplies	5,289	5,188	5,185	3
Maintenance and repair	1,188	1,188	1,053	135
Utilities	3,282	4,532	4,532	0
Total County Coroner	291,394	291,185	286,364	4,821
Adult Probation				
Personal services	776,237	779,058	733,481	45,577
Purchased services	16,666	16,666	16,282	384
Materials and supplies	19,142	23,442	23,403	39
Maintenance and repair	7,125	6,625	5,410	1,215
Utilities	20,941	20,194	19,882	312
Total Adult Probation	840,111	845,985	798,458	47,527
Juvenile Detention				
Personal services	1,030,493	1,079,018	1,072,088	6,930
Purchased services	18,100	16,000	15,449	551
Materials and supplies	61,656	62,887	62,877	10
Maintenance and repair	16,027	11,562	10,987	575
Utilities	8,076	10,076	9,160	916
Total Juvenile Detention	1,134,352	1,179,543	1,170,561	8,982
Juvenile Probation				
Personal services	384,137	468,010	405,079	62,931
Purchased services	2,933	11,117	1,880	9,237
Materials and supplies	6,661	10,442	7,333	3,109
Maintenance and repair	3,249	4,249	4,248	1
Utilities	6,080	6,067	6,067	0
Total Juvenile Probation	403,060	499,885	424,607	75,278

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, 2005

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Positive (Negative)
Sheriff				
Personal services	\$ 6,792,541	\$ 6,849,519	\$ 6,829,211	\$ 20,308
Purchased services	106,018	89,060	88,540	520
Materials and supplies	284,603	344,788	336,128	8,660
Maintenance and repair	185,318	206,276	206,050	226
Utilities	65,306	64,745	64,025	720
Total Sheriff	7,433,786	7,554,388	7,523,954	30,434
Adult Detention				
Personal services	5,556,948	5,597,892	5,581,882	16,010
Purchased services	641,337	703,709	703,361	348
Materials and supplies	520,724	527,431	527,271	160
Maintenance and repair	31,564	34,957	34,666	291
Utilities	20,574	24,174	23,703	471
Total Adult Detention	6,771,147	6,888,163	6,870,883	17,280
Municipal Court Adult Probation				
Personal services	634,690	634,690	589,972	44,718
Purchased services	2,490	2,490	2,490	0
Materials and supplies	1,760	1,760	1,723	37
Maintenance and repair	2,000	2,000	1,823	177
Utilities	15,113	15,113	15,113	0
Total Municipal Court Adult Probation	656,053	656,053	611,121	44,932
Public Safety Grants				
Purchased services	45,000	70,000	70,000	0
Total public safety	21,270,907	21,635,508	21,079,601	555,907
Health				
Tuberculosis Clinic				
Purchased services	41,516	41,516	41,516	0
Other Health				
Purchased services	506,148	324,172	309,739	14,433
Total health	547,664	365,688	351,255	14,433
Human services				
Veterans Service Commission				
Personal services	290,321	290,321	258,411	31,910
Purchased services	731,700	731,700	590,897	140,803
Materials and supplies	37,000	37,000	35,273	1,727
Maintenance and repair	9,500	9,500	4,513	4,987
Utilities	8,000	8,000	7,774	226
Capital outlay	30,000	30,000	26,905	3,095
Total Veterans Service Commission	1,106,521	1,106,521	923,773	182,748

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, 2005

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	<u>1,144,079</u>	<u>1,144,079</u>	<u>961,331</u>	<u>182,748</u>
Community development				
Community Planning & Development				
Personal services	420,256	448,415	366,192	82,223
Purchased services	601,727	529,459	241,201	288,258
Materials and supplies	22,410	28,380	28,123	257
Maintenance and repair	4,086	4,086	3,132	954
Utilities	4,945	6,745	6,745	0
Capital Outlay	0	8,137,000	8,002,400	134,600
Total Community Planning & Development	<u>1,053,424</u>	<u>9,154,085</u>	<u>8,647,793</u>	<u>506,292</u>
Planning Commission				
Purchased services	<u>4,712</u>	<u>4,462</u>	<u>937</u>	<u>3,525</u>
Total community development	<u>1,058,136</u>	<u>9,158,547</u>	<u>8,648,730</u>	<u>509,817</u>
Total expenditures	<u>49,093,112</u>	<u>58,097,844</u>	<u>55,476,147</u>	<u>2,621,697</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,500,558</u>	<u>(7,401,849)</u>	<u>(3,680,323)</u>	<u>3,721,526</u>
Other financing sources (uses):				
Operating transfers (out)	(4,105,441)	(5,298,417)	(5,010,041)	288,376
Advances in	0	0	379,793	379,793
Advances (out)	0	(151,755)	(151,755)	0
Proceeds of sale of capital assets	<u>20,000</u>	<u>20,000</u>	<u>39,102</u>	<u>19,102</u>
Total other financing sources (uses)	<u>(4,085,441)</u>	<u>(5,430,172)</u>	<u>(4,742,901)</u>	<u>687,271</u>
Net Change in fund balance	(2,584,883)	(12,832,021)	(8,423,224)	4,408,797
Fund balance at beginning of year	22,077,705	22,077,705	22,077,705	0
Prior year encumbrances appropriated	<u>1,480,365</u>	<u>1,480,365</u>	<u>1,480,365</u>	<u>0</u>
Fund balance at end of year	<u>\$ 20,973,187</u>	<u>\$ 10,726,049</u>	<u>\$ 15,134,846</u>	<u>\$ 4,408,797</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, 2005

Social Services - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 6,133,275	\$ 6,157,814	\$ 6,024,877	\$ (132,937)
Charges for services	900,850	900,850	955,741	54,891
Licenses and permits	56,000	56,000	46,881	(9,119)
Intergovernmental	22,911,906	23,194,278	23,542,971	348,693
Other revenues	511,400	511,400	657,506	146,106
Total revenues	<u>30,513,431</u>	<u>30,820,342</u>	<u>31,227,976</u>	<u>407,634</u>
Expenditures:				
Current:				
Human services:				
Personal services	11,336,588	11,336,588	10,253,422	1,083,166
Purchased services	19,339,682	20,451,667	18,971,617	1,480,050
Materials and supplies	422,196	440,656	365,798	74,858
Maintenance and repair	65,403	77,592	54,223	23,369
Utilities	173,664	171,972	156,953	15,019
Capital outlay	260,176	370,176	179,448	190,728
Other expenditures	0	1,868	1,807	61
Total expenditures	<u>31,597,709</u>	<u>32,850,519</u>	<u>29,983,268</u>	<u>2,867,251</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(1,084,278)</u>	<u>(2,030,177)</u>	<u>1,244,708</u>	<u>3,274,885</u>
Other financing sources(uses):				
Operating transfers in	2,788,878	4,677,254	6,389,708	1,712,454
Operating transfers (out)	(2,295,000)	(6,440,997)	(5,766,077)	674,920
Proceeds from sale of capital assets	3,000	3,000	0	(3,000)
Total other financing sources (uses)	<u>496,878</u>	<u>(1,760,743)</u>	<u>623,631</u>	<u>2,384,374</u>
Net change in fund balance	(587,400)	(3,790,920)	1,868,339	5,659,259
Fund balance at beginning of year	4,263,329	4,263,329	4,263,329	0
Prior year encumbrances appropriated	639,055	639,055	639,055	0
Fund balance at end of year	<u>\$ 4,314,984</u>	<u>\$ 1,111,464</u>	<u>\$ 6,770,723</u>	<u>\$ 5,659,259</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, 2005

Motor Vehicle and Gas Tax - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 2,100,000	\$ 2,100,000	\$ 2,129,516	\$ 29,516
Charges for services	207,600	207,600	378,893	171,293
Licenses and permits	35,000	35,000	52,105	17,105
Fines and forfeitures	180,000	180,000	188,889	8,889
Intergovernmental	6,430,000	6,430,000	6,506,508	76,508
Special assessments	20,000	20,000	20,018	18
Investment earnings	80,000	80,000	110,802	30,802
Other revenues	<u>235,400</u>	<u>235,400</u>	<u>419,349</u>	<u>183,949</u>
Total revenues	<u>9,288,000</u>	<u>9,288,000</u>	<u>9,806,080</u>	<u>518,080</u>
Expenditures:				
Current:				
Public works:				
Personal services	3,788,900	3,886,100	3,623,345	262,755
Purchased services	640,842	699,274	636,639	62,635
Materials and supplies	1,697,178	1,921,041	1,805,470	115,571
Maintenance and repair	497,944	629,566	603,991	25,575
Utilities	127,322	124,756	114,861	9,895
Capital outlay	3,655,673	6,144,245	5,820,850	323,395
Other expenditures	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>0</u>
Total expenditures	<u>10,477,859</u>	<u>13,474,982</u>	<u>12,675,156</u>	<u>799,826</u>
(Deficiency) of revenues (under) expenditure:	<u>(1,189,859)</u>	<u>(4,186,982)</u>	<u>(2,869,076)</u>	<u>1,317,906</u>
Other financing sources(uses):				
Operating transfer in	1,000	1,000	0	(1,000)
Operating transfers (out)	(18,250)	(18,250)	(17,876)	374
Proceeds from the sale of capital assets	<u>5,000</u>	<u>5,000</u>	<u>14,100</u>	<u>9,100</u>
Total other financing sources (uses)	<u>(12,250)</u>	<u>(12,250)</u>	<u>(3,776)</u>	<u>8,474</u>
Net change in fund balance	(1,202,109)	(4,199,232)	(2,872,852)	1,326,380
Fund balance at beginning of year	3,103,647	3,103,647	3,103,647	0
Prior year encumbrances appropriated	<u>1,200,209</u>	<u>1,200,209</u>	<u>1,200,209</u>	<u>0</u>
Fund balance at end of year	<u>\$ 3,101,747</u>	<u>\$ 104,624</u>	<u>\$ 1,431,004</u>	<u>\$ 1,326,380</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, 2005

Special Assessment - Debt Service Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Special assessments	\$ 679,921	\$ 682,655	\$ 615,556	\$ (67,099)
Other revenues	0	0	200	200
Total revenues	<u>679,921</u>	<u>682,655</u>	<u>615,756</u>	<u>(66,899)</u>
Expenditures:				
Debt service:				
Principal retirement	413,000	413,000	413,000	0
Interest and fiscal charges	<u>272,321</u>	<u>274,233</u>	<u>261,014</u>	<u>13,219</u>
Total expenditures	<u>685,321</u>	<u>687,233</u>	<u>674,014</u>	<u>13,219</u>
(Deficiency) of revenues (under) expenditures	<u>(5,400)</u>	<u>(4,578)</u>	<u>(58,258)</u>	<u>(53,680)</u>
Other financing sources:				
Operating transfers in	0	6,910	15,622	8,712
Advances in	<u>0</u>	<u>0</u>	<u>44,090</u>	<u>44,090</u>
Total other financing sources	<u>0</u>	<u>6,910</u>	<u>59,712</u>	<u>52,802</u>
Net change in fund balance	(5,400)	2,332	1,454	(878)
Fund balance at beginning of year	<u>269,246</u>	<u>269,246</u>	<u>269,246</u>	<u>0</u>
Fund balance at end of year	<u>\$ 263,846</u>	<u>\$ 271,578</u>	<u>\$ 270,700</u>	<u>\$ (878)</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, 2005

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	\$ 3,436,259	\$ (108,341)
Charges for services	5,000	5,000	13,200	8,200
Intergovernmental	703,186	703,186	731,628	28,442
Other revenues	90,597	90,597	450,462	359,865
Total revenues	<u>4,343,383</u>	<u>4,343,383</u>	<u>4,631,549</u>	<u>288,166</u>
Expenditures:				
Purchased Services	250,000	244,807	140,840	103,967
Materials and Supplies	114,450	112,838	59,320	53,518
Maintenance and repair	30,000	26,905	1,950	24,955
Capital outlay	1,415,351	1,683,183	1,377,714	305,469
Total expenditures	<u>1,809,801</u>	<u>2,067,733</u>	<u>1,579,824</u>	<u>487,909</u>
Excess of revenues over expenditures	<u>2,533,582</u>	<u>2,275,650</u>	<u>3,051,725</u>	<u>776,075</u>
Other financing sources (uses):				
Operating transfers in	713,591	713,591	681,900	(31,691)
Operating transfers (out)	(3,683,550)	(3,925,550)	(3,418,049)	507,501
Advances in	0	0	200,000	200,000
Total other financing sources (uses)	<u>(2,969,959)</u>	<u>(3,211,959)</u>	<u>(2,536,149)</u>	<u>675,810</u>
Net change in fund balance	(436,377)	(936,309)	515,576	1,451,885
Fund balance at beginning of year	3,152,113	3,152,113	3,152,113	0
Prior year encumbrances appropriated	305,801	305,801	305,801	0
Fund balance at end of year	<u>\$ 3,021,537</u>	<u>\$ 2,521,605</u>	<u>\$ 3,973,490</u>	<u>\$ 1,451,885</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, 2005

Health and Solid Waste District - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$ 326,500	\$ 326,500	\$ 284,725	\$ (41,775)
Licenses and permits	200,000	200,000	231,768	31,768
Fines and forfeitures	40,000	40,000	33,563	(6,437)
Intergovernmental	85,000	85,000	80,374	(4,626)
Other revenues	25	25	17,875	17,850
Total revenues	<u>651,525</u>	<u>651,525</u>	<u>648,305</u>	<u>(3,220)</u>
Expenditures:				
Current:				
Health:				
Personal services	94,814	103,314	92,140	11,174
Purchased services	751,963	598,367	495,878	102,489
Materials and supplies	64,160	105,122	58,771	46,351
Maintenance and repair	4,397	54,397	8,365	46,032
Utilities	22,448	19,818	13,490	6,328
Capital outlay	115,659	115,061	76,251	38,810
Total expenditures	<u>1,053,441</u>	<u>996,079</u>	<u>744,895</u>	<u>251,184</u>
Net change in fund balance	(401,916)	(344,554)	(96,590)	247,964
Fund balance at beginning of year	709,959	709,959	709,959	0
Prior year encumbrances appropriated	172,291	172,291	172,291	0
Fund balance at end of year	<u>\$ 480,334</u>	<u>\$ 537,696</u>	<u>\$ 785,660</u>	<u>\$ 247,964</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, 2005

Real Estate Assessment - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes	\$ 400,000	\$ 435,000	\$ 425,689	\$ (9,311)
Charges for services	1,800,500	1,800,500	2,199,520	399,020
Licenses and permits	0	0	560	560
Investment earnings	5,000	5,000	23,675	18,675
Other revenues	0	0	12	12
Total revenues	<u>2,205,500</u>	<u>2,240,500</u>	<u>2,649,456</u>	<u>408,956</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Personal services	1,220,858	1,220,858	1,162,567	58,291
Purchased services	857,611	891,605	749,518	142,087
Materials and supplies	168,899	169,049	140,722	28,327
Maintenance and repair	101,247	100,903	82,819	18,084
Utilities	19,389	17,498	14,941	2,557
Capital outlay	51,000	47,000	9,933	37,067
Other expenditures	0	50	50	0
Total expenditures	<u>2,419,004</u>	<u>2,446,963</u>	<u>2,160,550</u>	<u>286,413</u>
Net change in fund balance	(213,504)	(206,463)	488,906	122,543
Fund balance at beginning of year	2,756,534	2,756,534	2,756,534	0
Prior year encumbrances appropriated	98,996	98,996	98,996	0
Fund balance at end of year	<u>\$ 2,642,026</u>	<u>\$ 2,649,067</u>	<u>\$ 3,344,436</u>	<u>\$ 122,543</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, 2005

Other Legislative - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$ 1,102,000	\$ 1,102,000	\$ 1,054,439	\$ (47,561)
Total revenues	<u>1,102,000</u>	<u>1,102,000</u>	<u>1,054,439</u>	<u>(47,561)</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Personal services	685,617	690,117	676,930	13,187
Purchased services	572,950	482,804	351,764	131,040
Materials and supplies	102,992	98,612	38,606	60,006
Maintenance and repair	16,104	11,504	10,047	1,457
Utilities	48,206	37,298	14,669	22,629
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Total expenditures	<u>1,455,869</u>	<u>1,350,335</u>	<u>1,092,016</u>	<u>258,319</u>
(Deficiency) of revenues (under) expenditure	<u>(353,869)</u>	<u>(248,335)</u>	<u>(37,577)</u>	<u>210,758</u>
Other financing sources (uses):				
Operating transfers in	50,000	50,000	50,000	0
Operating transfers (out)	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>	<u>200,000</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>50,000</u>	<u>200,000</u>
Net change in fund balance	(503,869)	(398,335)	12,423	410,758
Fund balance at beginning of year	636,198	636,198	636,198	0
Prior year encumbrances appropriated	<u>139,042</u>	<u>139,042</u>	<u>139,042</u>	<u>0</u>
Fund balance at end of year	<u>\$ 271,371</u>	<u>\$ 376,905</u>	<u>\$ 787,663</u>	<u>\$ 410,758</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, 2005

Public Safety - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$ 177,630	\$ 177,630	\$ 170,161	\$ (7,469)
Licenses and permits	58,500	58,500	55,137	(3,363)
Fines and forfeitures	78,960	78,960	162,151	83,191
Intergovernmental	3,569,808	3,871,100	3,831,576	(39,524)
Investment earnings	64,510	64,510	86,919	22,409
Other revenues	12,300	12,300	28,355	16,055
Total revenues	<u>3,961,708</u>	<u>4,263,000</u>	<u>4,334,299</u>	<u>71,299</u>
Expenditures:				
Current:				
Public Safety:				
Personal services	2,135,959	2,232,034	2,135,883	96,151
Purchased services	1,146,339	1,085,891	883,618	202,273
Materials and supplies	598,770	619,654	547,543	72,111
Maintenance and repair	55,166	61,276	39,740	21,536
Utilities	67,569	78,175	50,654	27,521
Capital outlay	582,265	949,759	805,098	144,661
Other expenditures	0	11,562	11,562	0
Total expenditures	<u>4,586,068</u>	<u>5,038,351</u>	<u>4,474,098</u>	<u>564,253</u>
(Deficiency) of revenues (under) expenditures	<u>(624,360)</u>	<u>(775,351)</u>	<u>(139,799)</u>	<u>635,552</u>
Other financing sources(uses):				
Operating transfers in	379,244	379,244	379,244	0
Advances in	0	0	19,000	19,000
Advances (out)	0	(5,500)	(5,500)	0
Proceeds on the sale of capital assets	0	0	45,818	45,818
Total other financing sources (uses)	<u>379,244</u>	<u>373,744</u>	<u>438,562</u>	<u>64,818</u>
Net change in fund balance	(245,116)	(401,607)	298,763	700,370
Fund balance at beginning of year	2,507,715	2,507,715	2,507,715	0
Prior year encumbrances appropriated	667,927	667,927	667,927	0
Fund balance at end of year	<u>\$ 2,930,526</u>	<u>\$ 2,774,035</u>	<u>\$ 3,474,405</u>	<u>\$ 700,370</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, 2005

Community Transportation - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$ 802,031	\$ 830,889	\$ 800,445	\$ (30,444)
Intergovernmental	673,191	993,010	959,748	(33,262)
Other revenues	12,000	6,323	6,951	628
Total revenues	<u>1,487,222</u>	<u>1,830,222</u>	<u>1,767,144</u>	<u>(63,078)</u>
Expenditures:				
Current:				
Transportation:				
Personal services	652,220	600,128	572,662	27,466
Purchased services	607,038	758,112	756,405	1,707
Materials and supplies	94,242	110,944	105,739	5,205
Maintenance and repair	79,243	90,817	86,762	4,055
Utilities	11,348	10,630	10,247	383
Capital outlay	20,000	98,859	97,964	895
Total expenditures	<u>1,464,091</u>	<u>1,669,490</u>	<u>1,629,779</u>	<u>39,711</u>
Excess of revenues over expenditures	<u>23,131</u>	<u>160,732</u>	<u>137,365</u>	<u>(23,367)</u>
Other financing sources:				
Advances (out)	0	(215,973)	(215,973)	0
Proceeds from sale of capital assets	10,000	8,000	8,000	0
Total other financing sources	<u>10,000</u>	<u>(207,973)</u>	<u>(207,973)</u>	<u>0</u>
Net change in fund balance	33,131	(47,241)	(70,608)	(23,367)
Fund balance at beginning of year	131,378	131,378	131,378	0
Prior year encumbrances appropriated	90,276	90,276	90,276	0
Fund balance at end of year	<u>\$ 254,785</u>	<u>\$ 174,413</u>	<u>\$ 151,046</u>	<u>\$ (23,367)</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, 2005

Judicial Programs - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services	\$ 57,000	\$ 57,000	\$ 52,273	\$ (4,727)
Intergovernmental	148,469	148,469	191,606	43,137
Other revenues	3,000	3,000	4,005	1,005
Total revenues	<u>208,469</u>	<u>208,469</u>	<u>247,884</u>	<u>39,415</u>
Expenditures:				
Current:				
General government:				
Judicial:				
Personal services	308,211	308,211	300,954	7,257
Purchased services	32,120	33,320	28,353	4,967
Materials and supplies	17,981	18,953	13,869	5,084
Maintenance and repair	2,313	1,113	641	472
Utilities	6,065	5,859	5,359	500
Total expenditures	<u>366,690</u>	<u>367,456</u>	<u>349,176</u>	<u>18,280</u>
(Deficiency) of revenues (under) expenditure:	<u>(158,221)</u>	<u>(158,987)</u>	<u>(101,292)</u>	<u>57,695</u>
Other financing sources:				
Operating transfers in	150,032	150,032	154,945	4,913
Total other financing sources	<u>150,032</u>	<u>150,032</u>	<u>154,945</u>	<u>4,913</u>
Net change in fund balance	(8,189)	(8,955)	53,653	62,608
Fund balance at beginning of year	34,265	34,265	34,265	0
Prior year encumbrances appropriated	5,613	5,613	5,613	0
Fund balance at end of year	<u>\$ 31,689</u>	<u>\$ 30,923</u>	<u>\$ 93,531</u>	<u>\$ 62,608</u>

Clermont County, Ohio
Schedule of Revenues
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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	\$ 1,233	\$ 1,233
Intergovernmental	1,641,045	1,797,945	1,304,443	(493,502)
Investment earnings	240	240	294	54
Total revenues	<u>1,641,285</u>	<u>1,798,185</u>	<u>1,305,970</u>	<u>(492,215)</u>
Expenditures:				
Current:				
Community development:				
Personal services	88,432	88,432	72,738	15,694
Purchased services	186,104	461,998	396,190	65,808
Materials and supplies	6,379	23,500	22,203	1,297
Capital outlay	1,168,737	1,043,604	779,932	263,672
Other expenditures	0	16,472	16,472	0
Total expenditures	<u>1,449,652</u>	<u>1,634,006</u>	<u>1,287,535</u>	<u>346,471</u>
Excess of revenues over expenditures	<u>191,633</u>	<u>164,179</u>	<u>18,435</u>	<u>(145,744)</u>
Other financing source(uses):				
Advances in	0	0	50,000	50,000
Advances (out)	(75,000)	(141,320)	(141,320)	0
Total other financing sources(uses)	<u>(75,000)</u>	<u>(141,320)</u>	<u>(91,320)</u>	<u>50,000</u>
Net change in fund balance	116,633	22,859	(72,885)	(95,744)
Fund balance at beginning of year	(86,793)	(86,793)	(86,793)	0
Prior year encumbrances appropriated	226,905	226,905	226,905	0
Fund balance(deficit) at end of year	<u>\$ 256,745</u>	<u>\$ 162,971</u>	<u>\$ 67,227</u>	<u>\$ (95,744)</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	\$ 377,623	\$ (92,377)
Total revenues	<u>470,000</u>	<u>470,000</u>	<u>377,623</u>	<u>(92,377)</u>
Expenditures:				
Current:				
General government:				
Judicial:				
Personal services	141,172	141,172	117,498	23,674
Purchased services	36,833	26,216	9,404	16,812
Materials and supplies	55,572	113,720	104,942	8,778
Maintenance and repair	136,335	102,835	88,700	14,135
Utilities	7,109	7,109	1,716	5,393
Capital outlay	247,024	189,534	21,534	168,000
Other expenditures	<u>334,000</u>	<u>334,000</u>	<u>170,000</u>	<u>164,000</u>
Total expenditures	<u>958,045</u>	<u>914,586</u>	<u>513,794</u>	<u>400,792</u>
(Deficiency) of revenues (under) expenditure:	<u>(488,045)</u>	<u>(444,586)</u>	<u>(136,171)</u>	<u>308,415</u>
Other financing sources:				
Proceeds from the sale of capital assets	<u>0</u>	<u>0</u>	<u>112</u>	<u>112</u>
Total other financing sources	<u>0</u>	<u>0</u>	<u>112</u>	<u>112</u>
Net change in fund balance	(488,045)	(444,586)	(136,059)	308,527
Fund balance at beginning of year	721,719	721,719	721,719	0
Prior year encumbrances appropriated	<u>101,873</u>	<u>101,873</u>	<u>101,873</u>	<u>0</u>
Fund balance at end of year	<u>\$ 335,547</u>	<u>\$ 379,006</u>	<u>\$ 687,533</u>	<u>\$ 308,527</u>

Clermont County, Ohio
Schedule of Revenues
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Fund Balance - Budget and Actual
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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	\$ 7,397	\$ 7,397
Total revenues	<u>0</u>	<u>0</u>	<u>7,397</u>	<u>7,397</u>
Expenditures:				
Current:				
Public works:				
Personal services	129,670	134,670	120,232	14,438
Purchased services	165,390	165,385	156,740	8,645
Materials and supplies	15,109	15,109	5,189	9,920
Maintenance and repair	150,000	150,000	2,918	147,082
Utilities	5,000	5,000	1,432	3,568
Capital outlay	<u>300,000</u>	<u>95,000</u>	<u>17,450</u>	<u>77,550</u>
Total expenditures	<u>765,169</u>	<u>565,164</u>	<u>303,961</u>	<u>261,203</u>
(Deficiency) of revenues (under) expenditures	<u>(765,169)</u>	<u>(565,164)</u>	<u>(296,564)</u>	<u>268,600</u>
Other financing sources:				
Advances in	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>(300,000)</u>
Total other financing sources	<u>300,000</u>	<u>300,000</u>	<u>0</u>	<u>(300,000)</u>
Net change in fund balance	(465,169)	(265,164)	(296,564)	(31,400)
Fund balance at beginning of year	582,234	582,234	582,234	0
Prior year encumbrances appropriated	<u>9,499</u>	<u>9,499</u>	<u>9,499</u>	<u>0</u>
Fund balance at end of year	<u>\$ 126,564</u>	<u>\$ 326,569</u>	<u>\$ 295,169</u>	<u>\$ (31,400)</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	\$ 434,850	\$ 434,850	\$ 476,332	\$ 41,482
Total revenues	<u>434,850</u>	<u>434,850</u>	<u>476,332</u>	<u>41,482</u>
Expenditures:				
Debt service:				
Principal retirement	3,377,880	3,377,880	3,377,876	4
Interest and fiscal charges	<u>2,241,579</u>	<u>2,241,639</u>	<u>1,097,101</u>	<u>1,144,538</u>
Total expenditures	<u>5,619,459</u>	<u>5,619,519</u>	<u>4,474,977</u>	<u>1,144,542</u>
(Deficiency) of revenues (under) expenditures	<u>(5,184,609)</u>	<u>(5,184,669)</u>	<u>(3,998,645)</u>	<u>(1,103,060)</u>
Other financing sources (uses):				
Operating transfers in	<u>5,185,528</u>	<u>5,185,528</u>	<u>4,023,740</u>	<u>(1,161,788)</u>
Total other financing sources (uses)	<u>5,185,528</u>	<u>5,185,528</u>	<u>4,023,740</u>	<u>(1,161,788)</u>
Net change in fund balance	919	859	25,095	24,236
Fund balance at beginning of year	<u>137,458</u>	<u>137,458</u>	<u>137,458</u>	<u>0</u>
Fund balance at end of year	<u>\$ 138,377</u>	<u>\$ 138,317</u>	<u>\$ 162,553</u>	<u>\$ 24,236</u>

Clermont County, Ohio
Schedule of Revenues
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Public Safety Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$ 4,800,000	\$ 4,800,000	\$ 3,157,189	\$ (1,642,811)
Investment earnings	30,000	30,000	132,394	102,394
Total revenues	<u>4,830,000</u>	<u>4,830,000</u>	<u>3,289,583</u>	<u>(1,540,417)</u>
Expenditures:				
Materials and supplies	121,206	120,000	0	120,000
Maintenance & Repair	0	20,000	18,101	1,899
Capital outlay	<u>11,941,544</u>	<u>11,790,473</u>	<u>10,681,219</u>	<u>1,109,254</u>
Total expenditures	<u>12,062,750</u>	<u>11,930,473</u>	<u>10,699,320</u>	<u>1,231,153</u>
(Deficiency) of revenues (under) expenditures	<u>(7,232,750)</u>	<u>(7,100,473)</u>	<u>(7,409,737)</u>	<u>(309,264)</u>
Other financing sources (uses):				
Operating transfers in	<u>537,040</u>	<u>537,040</u>	<u>537,040</u>	<u>0</u>
Total other financing sources (uses)	<u>537,040</u>	<u>537,040</u>	<u>537,040</u>	<u>0</u>
Net change in fund balance	(6,695,710)	(6,563,433)	(6,872,697)	(309,264)
Fund balance at beginning of year	(271,887)	(271,887)	(271,887)	0
Prior year encumbrances appropriated	<u>10,162,750</u>	<u>10,162,750</u>	<u>10,162,750</u>	<u>0</u>
Fund balance (deficit) at end of year	<u>\$ 3,195,153</u>	<u>\$ 3,327,430</u>	<u>\$ 3,018,166</u>	<u>\$ (309,264)</u>

Clermont County, Ohio
Schedule of Revenues
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Fund Balance - Budget and Actual
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Social Services Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Materials and supplies	20,000	20,000	1,489	18,511
Maintenance & repair	50,000	50,000	2,079	47,921
Capital outlay	<u>200,000</u>	<u>200,000</u>	<u>18,194</u>	<u>181,806</u>
Total expenditures	<u>270,000</u>	<u>270,000</u>	<u>21,762</u>	<u>248,238</u>
(Deficiency) of revenues (under) expenditure:	<u>(270,000)</u>	<u>(270,000)</u>	<u>(21,762)</u>	<u>248,238</u>
Other financing sources:				
Operating transfers in	<u>195,200</u>	<u>195,200</u>	<u>195,200</u>	<u>0</u>
Total other financing sources	<u>195,200</u>	<u>195,200</u>	<u>195,200</u>	<u>0</u>
Net change in fund balance	(74,800)	(74,800)	173,438	248,238
Fund balance at beginning of year	<u>963,283</u>	<u>963,283</u>	<u>963,283</u>	<u>0</u>
Fund balance at end of year	<u>\$ 888,483</u>	<u>\$ 888,483</u>	<u>\$ 1,136,721</u>	<u>\$ 248,238</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	2,560	2,440
Materials and supplies	205,501	201,553	75,294	126,259
Capital outlay	1,011,347	1,007,970	312,266	695,704
Total expenditures	<u>1,221,848</u>	<u>1,214,523</u>	<u>390,120</u>	<u>824,403</u>
(Deficiency) of revenues (under) expenditures	<u>(1,221,848)</u>	<u>(1,214,523)</u>	<u>(390,120)</u>	<u>824,403</u>
Other financing sources:				
Operating transfers in	<u>168,600</u>	<u>168,600</u>	<u>308,191</u>	<u>139,591</u>
Total other financing sources	<u>168,600</u>	<u>168,600</u>	<u>308,191</u>	<u>139,591</u>
Net change in fund balance	(1,053,248)	(1,045,923)	(81,929)	963,994
Fund balance at beginning of year	1,203,760	1,203,760	1,203,760	0
Prior year encumbrances appropriated	<u>185,295</u>	<u>185,295</u>	<u>185,295</u>	<u>0</u>
Fund balance at end of year	<u>\$ 335,807</u>	<u>\$ 343,132</u>	<u>\$ 1,307,126</u>	<u>\$ 963,994</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, 2005

Judicial Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Investment earnings	\$ 0	\$ 0	\$ 10,166	\$ 10,166
Total revenues	<u>0</u>	<u>0</u>	<u>10,166</u>	<u>10,166</u>
Expenditures:				
Purchased services	10,000	25,000	14,094	10,906
Materials and supplies	90,000	95,000	22,531	72,469
Capital outlay	<u>878,024</u>	<u>1,852,446</u>	<u>1,285,713</u>	<u>566,733</u>
Total expenditures	<u>978,024</u>	<u>1,972,446</u>	<u>1,322,338</u>	<u>650,108</u>
(Deficiency) of revenues (under) expenditures	<u>(978,024)</u>	<u>(1,972,446)</u>	<u>(1,312,172)</u>	<u>660,274</u>
Other financing sources (uses):				
Operating transfers in	<u>1,017,300</u>	<u>1,017,300</u>	<u>679,800</u>	<u>(337,500)</u>
Total other financing sources (uses)	<u>1,017,300</u>	<u>1,017,300</u>	<u>679,800</u>	<u>(337,500)</u>
Net change in fund balance	39,276	(955,146)	(632,372)	322,774
Fund balance at beginning of year	2,097,919	2,097,919	2,097,919	0
Prior year encumbrances appropriated	<u>181,688</u>	<u>181,688</u>	<u>181,688</u>	<u>0</u>
Fund balance at end of year	<u>\$ 2,318,883</u>	<u>\$ 1,324,461</u>	<u>\$ 1,647,235</u>	<u>\$ 322,774</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, 2005

Community Development Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Other revenues	\$ 0	\$ 0	\$ 66,733	\$ 66,733
Total revenues	<u>0</u>	<u>0</u>	<u>66,733</u>	<u>66,733</u>
Expenditures:				
Maintenance & repair	0	86,400	82,777	3,623
Capital outlay	<u>2,779,008</u>	<u>3,142,417</u>	<u>2,765,585</u>	<u>376,832</u>
Total expenditures	<u>2,779,008</u>	<u>3,228,817</u>	<u>2,848,362</u>	<u>380,455</u>
(Deficiency) of revenues (under) expenditures	<u>(2,779,008)</u>	<u>(3,228,817)</u>	<u>(2,781,629)</u>	<u>447,188</u>
Other financing sources (uses):				
Proceeds from sale of special assessment bonds	200,000	2,050,000	1,850,000	(200,000)
Other financing use - discount on special assessment bond	0	(60,485)	(60,485)	0
Operating transfers in	0	0	542,000	542,000
Operating transfers (out)	0	(1,789,515)	(1,789,515)	0
Advances in	0	65,755	65,755	0
Advances (out)	<u>0</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Total other financing sources (uses)	<u>200,000</u>	<u>65,755</u>	<u>407,755</u>	<u>342,000</u>
Net change in fund balance	(2,579,008)	(3,163,062)	(2,373,874)	789,188
Fund balance at beginning of year	2,072,283	2,072,283	2,072,283	0
Prior year encumbrances appropriated	<u>1,907,458</u>	<u>1,907,458</u>	<u>1,907,458</u>	<u>0</u>
Fund balance at end of year	<u>\$ 1,400,733</u>	<u>\$ 816,679</u>	<u>\$ 1,605,867</u>	<u>\$ 789,188</u>

**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, 2005

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$1,737,612	\$101,766	\$497,571	\$1,248,965	\$3,585,914
Accounts Receivable	0	123,785	155,465	0	279,250
Prepaid Items	0	0	2,470	2,400	4,870
<i>Total Current Assets</i>	<u>1,737,612</u>	<u>225,551</u>	<u>655,506</u>	<u>1,251,365</u>	<u>3,870,034</u>
<i>Noncurrent Assets:</i>					
Capital assets, net	0	40,132	36,571	0	76,703
<i>Total Noncurrent Assets</i>	<u>0</u>	<u>40,132</u>	<u>36,571</u>	<u>0</u>	<u>76,703</u>
<i>Total Assets</i>	<u>1,737,612</u>	<u>265,683</u>	<u>692,077</u>	<u>1,251,365</u>	<u>3,946,737</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	0	172,150	81,057	14,105	267,312
Accrued Wages and Benefits	1,693	6,631	3,973	0	12,297
Intergovernmental Payable	255	975	601	0	1,831
Claims Payable	838,853	0	0	0	838,853
<i>Total Current Liabilities</i>	<u>840,801</u>	<u>179,756</u>	<u>85,631</u>	<u>14,105</u>	<u>1,120,293</u>
<i>Noncurrent Liabilities:</i>					
Due Within One Year	0	5,983	3,641	0	9,624
Due Within More Than One Year	0	13,156	3,887	0	17,043
<i>Total Noncurrent Liabilities</i>	<u>0</u>	<u>19,139</u>	<u>7,528</u>	<u>0</u>	<u>26,667</u>
<i>Total Liabilities</i>	<u>840,801</u>	<u>198,895</u>	<u>93,159</u>	<u>14,105</u>	<u>1,146,960</u>
Net Assets					
Invested in Capital Assets	0	40,132	36,571	0	76,703
Unrestricted	896,811	26,656	562,347	1,237,260	2,723,074
<i>Total Net Assets</i>	<u>\$896,811</u>	<u>\$66,788</u>	<u>\$598,918</u>	<u>\$1,237,260</u>	<u>\$2,799,777</u>

Clermont County, Ohio

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2005

	<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	\$8,493,384	\$1,399,280	\$931,490	\$460,450	\$11,284,604
All Other Revenues	<u>335,045</u>	<u>8,714</u>	<u>89,200</u>	<u>199,674</u>	<u>632,633</u>
<i>Total Operating Revenues</i>	<u>8,828,429</u>	<u>1,407,994</u>	<u>1,020,690</u>	<u>660,124</u>	<u>11,917,237</u>
Operating Expenses					
Personal Services	102,754	252,648	132,275	0	487,677
Materials and Supplies	1,366	998,750	4,190	152,749	1,157,055
Contractual Services	16,579	37,020	10,133	660,753	724,485
Maintenance and Repair	0	150,924	89,106	0	240,030
Utilities	339	3,213	593,687	0	597,239
Claims	8,088,497	0	0	0	8,088,497
Depreciation	0	5,540	11,422	0	16,962
Other	<u>0</u>	<u>18,556</u>	<u>0</u>	<u>0</u>	<u>18,556</u>
<i>Total Operating Expenses</i>	<u>8,209,535</u>	<u>1,466,651</u>	<u>840,813</u>	<u>813,502</u>	<u>11,330,501</u>
<i>Operating Income (Loss)</i>	618,894	(58,657)	179,877	(153,378)	586,736
Transfers In	16,115	0	0	0	16,115
Transfers Out	<u>0</u>	<u>0</u>	<u>(180,000)</u>	<u>0</u>	<u>(180,000)</u>
<i>Change in Net Assets</i>	635,009	(58,657)	(123)	(153,378)	422,851
<i>Net Assets Beginning 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>
<i>Net Assets End of Year</i>	<u>\$896,811</u>	<u>\$66,788</u>	<u>\$598,918</u>	<u>\$1,237,260</u>	<u>\$2,799,777</u>

Clermont County, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2005

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
Cash Flows From Operating Activities:					
Cash Received from Interfund Services Provided	\$8,493,384	\$1,399,158	\$919,825	\$460,450	\$11,272,817
Payments to Suppliers	(19,684)	(1,121,285)	(678,107)	(144,055)	(1,963,131)
Payments to Employees	(101,516)	(257,216)	(131,885)	0	(490,617)
Claims	(8,014,016)	0	0	0	(8,014,016)
Payments for Interfund Services Provided	0	0	0	(663,153)	(663,153)
Other Receipts	335,045	8,714	89,200	199,674	632,633
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>693,213</u>	<u>29,371</u>	<u>199,033</u>	<u>(147,084)</u>	<u>774,533</u>
Cash Flows From Noncapital Financing Activities:					
Transfers from (to) Other Funds	16,115	0	(180,000)	0	(163,885)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>16,115</u>	<u>0</u>	<u>(180,000)</u>	<u>0</u>	<u>(163,885)</u>
Cash Flows From Capital and Related Financing Activities:					
Acquisition of Capital Assets	0	0	(12,509)	0	(12,509)
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>0</u>	<u>0</u>	<u>(12,509)</u>	<u>0</u>	<u>(12,509)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	709,328	29,371	6,524	(147,084)	598,139
<i>Cash and Cash Equivalents-January 1</i>	1,028,284	72,395	491,047	1,396,049	2,987,775
<i>Cash and Cash Equivalents December 31</i>	<u>\$1,737,612</u>	<u>\$101,766</u>	<u>\$497,571</u>	<u>\$1,248,965</u>	<u>\$3,585,914</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$618,894	(\$58,657)	\$179,877	(\$153,378)	\$586,736
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	0	5,540	11,422	0	16,962
Non-Operating Revenues and Expenses					
Change in Assets and Liabilities:					
(Increase) in Accounts Receivable	0	(122)	(11,665)	0	(11,787)
(Increase) in Prepaid Items	0	0	(275)	(2,400)	(2,675)
Increase (Decrease) in Accounts Payable	(1,400)	87,178	19,284	8,694	113,756
Increase (Decrease) in Accrued Wages	1,075	(3,397)	115	0	(2,207)
Increase in Claims Payable	74,481	0	0	0	74,481
Increase (Decrease) in Intergovernmental Payable	163	(488)	24	0	(301)
Increase (Decrease) in Compensated Absences Payable	0	(683)	251	0	(432)
Total Adjustments	74,319	88,028	19,156	6,294	187,797
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$693,213</u>	<u>\$29,371</u>	<u>\$199,033</u>	<u>(\$147,084)</u>	<u>\$774,533</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 held on behalf of individuals and corporations.

Clermont County Court System - This fund is used to account for monies held by the County Courts to be disbursed to individuals, businesses and governments.

General County Agency - This fund is used to account for monies held by County departments other than the Courts in outside checking accounts to be disbursed to individuals, businesses and governments.

Clermont County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005

UNDIVIDED TAX FUND

	Beginning Balance 1/1/05	Additions	Deductions	Ending Balance 12/31/05
ASSETS:				
Equity in pooled cash and cash equivalents	\$5,953,898	\$2,313,022	\$1,017,723	\$7,249,197
Taxes receivable	178,859,641	437,971,309	415,386,777	201,444,173
Total assets	<u>\$184,813,539</u>	<u>\$440,284,331</u>	<u>\$416,404,500</u>	<u>\$208,693,370</u>
LIABILITIES:				
Intergovernmental payable	\$184,813,539	\$440,284,331	\$416,404,500	\$208,693,370
Total liabilities	<u>\$184,813,539</u>	<u>\$440,284,331</u>	<u>\$416,404,500</u>	<u>\$208,693,370</u>

POLITICAL SUBDIVISIONS

ASSETS:				
Equity in pooled cash and cash equivalents	\$1,452,457	\$11,968,970	\$12,136,792	\$1,284,635
Cash and cash equivalents in segregated accounts	100,554	\$103,497	\$100,554	103,497
Intergovernmental receivable	498,694	474,033	498,694	474,033
Total assets	<u>\$2,051,705</u>	<u>\$12,546,500</u>	<u>\$12,736,040</u>	<u>\$1,862,165</u>
LIABILITIES:				
Intergovernmental payable	\$1,951,151	\$12,546,500	\$12,635,486	\$1,862,165
Other liabilities	100,554	0	100,554	0
Total liabilities	<u>\$2,051,705</u>	<u>\$12,546,500</u>	<u>\$12,736,040</u>	<u>\$1,862,165</u>

OTHER AGENCY FUNDS

ASSETS:				
Equity in pooled cash and cash equivalents	\$1,059,506	\$72,124,794	\$72,013,590	\$1,170,710
Intergovernmental receivable	4,688	28,910	4,688	28,910
Total assets	<u>\$1,064,194</u>	<u>\$72,153,704</u>	<u>\$72,018,278</u>	<u>\$1,199,620</u>
LIABILITIES:				
Intergovernmental payable	\$341,316	\$364,865	\$341,316	\$364,865
Other liabilities	722,878	71,788,839	71,676,962	834,755
Total liabilities	<u>\$1,064,194</u>	<u>\$72,153,704</u>	<u>\$72,018,278</u>	<u>\$1,199,620</u>

CLERMONT COUNTY COURT SYSTEM

ASSETS:				
Equity in pooled cash and cash equivalents	\$3,362,669	\$35,110,687	\$35,859,022	\$2,614,334
Cash and Cash equivalents in segregated accounts	36,860	37,223	36,860	37,223
Total assets	<u>\$3,399,529</u>	<u>\$35,147,910</u>	<u>\$35,895,882</u>	<u>\$2,651,557</u>
LIABILITIES:				
Intergovernmental payable	\$742,588	\$853,806	\$742,588	\$853,806
Other liabilities	2,656,941	34,294,104	35,153,294	1,797,751
Total liabilities	<u>\$3,399,529</u>	<u>\$35,147,910</u>	<u>\$35,895,882</u>	<u>\$2,651,557</u>

(Continued)

Clermont County, Ohio
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2005 - Continued

GENERAL COUNTY AGENCY	Beginning Balance 1/1/05	Additions	Deductions	Ending Balance 12/31/05
ASSETS:				
Cash and Cash equivalents in segregated accounts	\$426,526	\$675,408	\$426,526	\$675,408
Cash with fiscal and escrow agents	634,902	698,324	634,902	698,324
Total assets	\$1,061,428	\$1,373,732	\$1,061,428	\$1,373,732
LIABILITIES:				
Other liabilities	\$1,061,428	\$1,373,732	\$1,061,428	\$1,373,732
Total liabilities	\$1,061,428	\$1,373,732	\$1,061,428	\$1,373,732
TOTAL AGENCY FUNDS				
ASSETS:				
Equity in pooled cash and cash equivalents	\$11,828,530	\$121,517,473	\$121,027,127	\$12,318,876
Cash and Cash equivalents in segregated accounts	563,940	816,128	563,940	816,128
Cash with fiscal and escrow agents	634,902	698,324	634,902	698,324
Taxes receivable	178,859,641	437,971,309	415,386,777	201,444,173
Intergovernmental receivable	503,382	502,943	503,382	502,943
Total assets	\$192,390,395	\$561,506,177	\$538,116,128	\$215,780,444
LIABILITIES:				
Intergovernmental payable	\$187,848,594	\$454,049,502	\$430,123,890	\$211,774,206
Other liabilities	4,541,801	107,456,675	107,992,238	4,006,238
Total liabilities	\$192,390,395	\$561,506,177	\$538,116,128	\$215,780,444

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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, 2005*

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	\$16,883,988	\$10,630,614	\$0	\$142,393	\$31,436,448
General Government- Judicial	0	17,890,873	820,919	0	152,408	18,864,200
Public safety	190,000	16,911,803	17,532,911	0	9,983,280	44,617,994
Public works	0	1,438,003	5,229,123	117,699,106	2,474,168	126,840,400
Health	0	1,261,087	144,010	0	0	1,405,097
Human Services	0	5,465,321	1,496,184	0	0	6,961,505
Transportation	0	0	1,111,934	0	0	1,111,934
Community Development	200,000	0	37,414	10,096,666	2,791,474	13,125,554
Total Governmental Funds' Capital Assets	<u>\$4,169,453</u>	<u>\$59,851,075</u>	<u>\$37,003,109</u>	<u>\$127,795,772</u>	<u>\$15,543,723</u>	<u>\$244,363,132</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, 2005*

Function and Activity	Governmental Funds Capital Assets Jan 1, 2005	Additions	Disposals	Governmental Funds Capital Assets Dec 31, 2005
General Government- Legislative and executive	\$31,477,795	\$1,679,908	\$1,721,255	\$31,436,448
General Government- Judicial	18,716,560	2,170,941	2,023,301	18,864,200
Public Safety	37,165,454	17,249,702	9,797,162	44,617,994
Public Works	121,355,840	13,633,664	8,149,104	126,840,400
Health	1,346,808	428,942	370,653	1,405,097
Human Services	6,816,296	243,114	97,905	6,961,505
Transportation	1,144,147	97,964	130,177	1,111,934
Community Development	11,300,116	3,592,871	1,767,433	13,125,554
Total Governmental Funds' Capital Assets	<u>\$229,323,016</u>	<u>\$39,097,106</u>	<u>\$24,056,990</u>	<u>\$244,363,132</u>

CLERMONT COUNTY, OHIO

Capital Assets Used in the Operation of Governmental Funds

Capital Assets by Source

December 31, 2005

Governmental Funds Fixed Assets:	
Land	\$4,169,453
Building, structures, and improvements	59,851,075
Furniture, fixtures and equipment	37,003,109
Infrastructure	127,795,772
Construction in progress	<u>15,543,723</u>
Total Governmental Funds' Capital Assets	<u><u>\$244,363,132</u></u>

Investment in Governmental funds' capital assets by source:	
General fund revenues	\$28,926,112
Special revenue fund revenues	18,014,899
Capital projects	197,101,574
Donations	<u>320,547</u>
Total Investment in Governmental Funds' Capital Assets	<u><u>\$244,363,132</u></u>

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STATISTICAL SECTION

Statistical Section

This part of Clermont County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	Pages
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	126-131
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue sources, property taxes and water and sewer revenue.	132-140
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	141-144
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	145-146
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides.	147-151

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2000; schedules presenting government-wide information include information beginning in that year.

Note: The County's largest local revenue source is permissive sales and use tax. Information is not available regarding the revenue base and the principal revenue payers. The sales tax rate for the County is 1% on retail sales.

Table 1
Clermont County, Ohio
 Net Assets by Category
 Last six years
 (accrual basis of accounting)

	2000	2001	2002	2003	2004	2005
Governmental Activities						
Invested in Capital Assets, Net of Related Debt	\$ 80,931,718	\$ 86,922,699	\$ 95,134,840	\$ 100,535,513	\$ 115,153,832	\$ 130,589,734
Restricted	33,112,424	48,930,822	47,092,351	51,077,825	56,940,141	58,032,950
Unrestricted	<u>20,821,079</u>	<u>7,880,328</u>	<u>14,640,442</u>	<u>12,694,496</u>	<u>12,038,607</u>	<u>8,828,795</u>
<i>Total Governmental Activities Net Assets</i>	<u>134,865,221</u>	<u>143,733,849</u>	<u>156,867,633</u>	<u>164,307,834</u>	<u>184,132,580</u>	<u>197,451,479</u>
Business-Type Activities						
Invested in Capital Assets, Net of Related Debt	102,200,030	111,208,168	120,738,408	131,727,617	142,258,749	162,767,729
Restricted	4,747,480	7,889,836	16,324,709	7,270,658	7,145,557	7,319,898
Unrestricted	<u>90,198,266</u>	<u>88,815,552</u>	<u>81,372,870</u>	<u>88,196,026</u>	<u>85,537,368</u>	<u>80,520,140</u>
<i>Total Business-Type Activities Net Assets</i>	<u>197,145,776</u>	<u>207,913,556</u>	<u>218,435,987</u>	<u>227,194,301</u>	<u>234,941,674</u>	<u>250,607,767</u>
Primary Government						
Invested in Capital Assets, Net of Related Debt	183,131,748	198,130,867	215,873,248	232,263,130	257,412,581	293,357,463
Restricted	37,859,904	56,820,658	63,417,060	58,348,483	64,085,698	65,352,848
Unrestricted	<u>111,019,345</u>	<u>96,695,880</u>	<u>96,013,312</u>	<u>100,890,522</u>	<u>97,575,975</u>	<u>89,348,935</u>
<i>Total Primary Government Net Assets</i>	<u>\$ 332,010,997</u>	<u>\$ 351,647,405</u>	<u>\$ 375,303,620</u>	<u>\$ 391,502,135</u>	<u>\$ 419,074,254</u>	<u>\$ 448,059,246</u>

Table 2
Clermont County, Ohio
 Changes in Net Assets
 Last Six Years
 (accrual basis of accounting)

	2000	2001	2002	2003	2004	2005
Expenses						
Governmental Activities						
General Government						
Legislative and Executive	\$ 15,828,886	\$ 19,011,649	\$ 19,515,292	\$ 19,533,131	\$ 18,437,847	\$22,705,828
Judicial	7,042,873	7,244,461	7,467,968	8,911,706	8,647,801	9,832,777
Public Safety	18,207,672	22,709,449	22,540,989	24,310,632	25,170,615	27,358,585
Public Works	4,570,345	9,680,793	7,155,162	13,454,860	7,794,813	7,645,345
Health	684,141	759,914	780,820	840,128	802,748	621,688
Human Services	24,587,506	25,762,570	28,314,617	29,851,533	29,731,069	30,203,142
Community Development	3,302,491	5,930,181	2,548,204	3,292,995	1,965,475	3,810,015
Transportation	2,090,458	1,188,990	1,671,387	1,767,427	1,613,319	1,550,036
Interest and Fiscal Charges	2,013,928	1,985,351	2,309,295	2,546,741	1,753,528	1,419,119
<i>Total Governmental Activities Expenses</i>	<u>78,328,300</u>	<u>94,273,358</u>	<u>92,303,734</u>	<u>104,509,153</u>	<u>95,917,215</u>	<u>105,146,535</u>
Business-Type Activities						
Water	11,213,950	11,186,071	11,021,013	10,702,657	10,744,633	11,664,066
Sewer	14,514,644	15,324,587	15,170,271	14,374,499	15,247,825	15,465,136
<i>Total Business-Type Activities Expenses</i>	<u>25,728,594</u>	<u>26,510,658</u>	<u>26,191,284</u>	<u>25,077,156</u>	<u>25,992,458</u>	<u>27,129,202</u>
<i>Total Primary Government Expenses</i>	<u>104,056,894</u>	<u>120,784,016</u>	<u>118,495,018</u>	<u>129,586,309</u>	<u>121,909,673</u>	<u>132,275,737</u>
Program Revenues						
Governmental Activities						
Charges for Services						
Legislative & Executive	8,873,557	10,473,110	10,812,430	11,669,374	11,475,561	\$11,769,239
Judicial	3,010,916	2,911,679	3,185,159	3,151,132	2,915,205	3,230,272
Public Safety	2,595,275	2,831,316	3,661,359	3,548,501	4,529,226	5,229,426
Other Activities	2,411,403	3,057,608	3,759,561	4,490,258	4,699,274	4,802,455
Operating Grants and Contributions	25,822,996	29,824,261	30,834,937	34,308,860	30,843,691	33,703,743
Capital Grants and Contributions ¹	10,287,243	3,306,780	5,459,628	10,735,511	11,210,647	12,504,470
<i>Total Governmental Activities Program Revenues</i>	<u>53,001,390</u>	<u>52,404,754</u>	<u>57,713,074</u>	<u>67,903,636</u>	<u>65,673,604</u>	<u>71,239,605</u>
Business-Type Activities						
Charges for Services						
Water	10,911,556	10,710,767	11,912,268	10,925,776	11,263,790	11,795,804
Sewer	13,787,479	12,972,165	13,611,285	13,379,077	13,704,733	13,725,879
Capital Grants and Contributions	10,030,648	8,517,076	7,997,307	7,818,332	7,142,477	13,194,791
<i>Total Business-Type Activities Program Revenues</i>	<u>34,729,683</u>	<u>32,200,008</u>	<u>33,520,860</u>	<u>32,123,185</u>	<u>32,111,000</u>	<u>38,716,474</u>
<i>Total Primary Government Program Revenues</i>	<u>87,731,073</u>	<u>84,604,762</u>	<u>91,233,934</u>	<u>100,026,821</u>	<u>97,784,604</u>	<u>109,956,079</u>

Continued

Table 2
Clermont County, Ohio
 Changes in Net Assets - Continued
 Last Six Years
 (accrual basis of accounting)

Net (Expense)/Revenue						
Governmental Activities	(25,326,910)	(41,868,604)	(34,590,660)	(36,605,517)	(30,243,611)	(33,906,930)
Business-Type Activities	<u>9,001,089</u>	<u>5,689,350</u>	<u>7,329,576</u>	<u>7,046,029</u>	<u>6,118,542</u>	<u>11,587,272</u>
<i>Total Primary Government Net Expense</i>	<u>(16,325,821)</u>	<u>(36,179,254)</u>	<u>(27,261,084)</u>	<u>(29,559,488)</u>	<u>(24,125,069)</u>	<u>(22,319,658)</u>
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Property Taxes Levied for:						
General Purposes	6,367,744	6,484,774	8,264,880	6,822,981	7,055,983	7,270,232
Social Services	4,329,596	4,394,817	5,750,351	5,623,183	5,883,741	6,055,984
Capital Outlay	3,031,174	3,082,262	2,963,493	3,242,143	3,352,922	3,454,195
Lodging Tax	264,297	305,398	323,423	443,691	377,743	430,014
Sales Tax	19,334,621	20,285,277	19,513,566	20,068,147	23,082,898	22,783,754
Grants not Restricted to Specific Programs	4,131,917	4,170,756	5,858,652	5,928,244	5,822,265	5,945,983
Unrestricted Contributions	321,406	-	-	-	-	-
Investment Earnings	6,409,374	5,817,336	4,156,791	1,944,506	2,347,773	2,921,263
Other Revenue ²	1,731,238	6,236,612	1,213,288	212,823	37,584	153,919
Gain on the Sale/Exchange of Capital Assets ³	-	-	-	-	2,566,914	-
Transfers	<u>(1,120,000)</u>	<u>(40,000)</u>	<u>(320,000)</u>	<u>(240,000)</u>	<u>(459,466)</u>	<u>(1,789,515)</u>
<i>Total Governmental Activities</i>	<u>44,801,367</u>	<u>50,737,232</u>	<u>47,724,444</u>	<u>44,045,718</u>	<u>50,068,357</u>	<u>47,225,829</u>
Business-Type Activities						
Investment Earnings	5,761,863	5,026,140	2,872,855	1,251,874	737,271	1,822,908
Other Revenue	-	-	-	220,411	432,094	466,398
Gain on the Sale of Capital Assets	14,427	12,290	-	-	-	-
Transfers	<u>1,120,000</u>	<u>40,000</u>	<u>320,000</u>	<u>240,000</u>	<u>459,466</u>	<u>1,789,515</u>
<i>Total Business-Type Activities</i>	<u>6,896,290</u>	<u>5,078,430</u>	<u>3,192,855</u>	<u>1,712,285</u>	<u>1,628,831</u>	<u>4,078,821</u>
<i>Total Primary Government</i>	<u>51,697,657</u>	<u>55,815,662</u>	<u>50,917,299</u>	<u>45,758,003</u>	<u>51,697,188</u>	<u>51,304,650</u>
Change in Net Assets						
Governmental Activities	19,474,457	8,868,628	13,133,784	7,440,201	19,824,746	13,318,899
Business-Type Activities	<u>15,897,379</u>	<u>10,767,780</u>	<u>10,522,431</u>	<u>8,758,314</u>	<u>7,747,373</u>	<u>15,666,093</u>
<i>Total Primary Government Change in Net Assets</i>	<u>\$ 35,371,836</u>	<u>\$ 19,636,408</u>	<u>\$ 23,656,215</u>	<u>\$ 16,198,515</u>	<u>\$ 27,572,119</u>	<u>\$ 28,984,992</u>

¹ In 2003, the County issued a consolidated general obligation debt which included two special assessment issues.

² In 2001, the County received \$4.5 million in proceeds from the demutualization of Anthem Blue Cross Blue Shield.

³ In 2004, exchanged infrastructure with the Ohio Department of Transportation

Table 3
Clermont County, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Fund										
Reserved	\$ 852,534	\$ 588,064	\$ 794,744	\$ 848,829	\$ 886,563	\$ 1,708,536	\$ 1,234,181	\$ 924,267	\$ 923,185	\$ 8,790,009
Unreserved:										
Designated for Budget Stabilization	0	0	0	0	0	0	2,300,000	2,300,000	2,300,000	2,300,000
Unreserved, Undesignated	9,183,137	11,139,680	15,172,894	15,742,670	18,758,524	23,434,345	25,017,857	25,372,491	23,324,454	13,745,204
Total General Fund	\$ 10,035,671	\$ 11,727,744	\$ 15,967,638	\$ 16,591,499	\$ 19,645,087	\$ 25,142,881	\$ 28,552,038	\$ 28,596,758	\$ 26,547,639	\$ 24,835,213
All Other Governmental Funds										
Reserved	\$ 7,011,674	\$ 4,099,181	\$ 3,690,604	\$ 12,052,168	\$ 7,058,245	\$ 4,827,541	\$ 5,709,263	\$ 8,812,665	\$ 13,122,924	\$ 4,054,950
Unreserved, undesignated reported in:										
Special Revenue Funds	6,907,866	8,302,690	9,259,772	10,950,265	5,438,161	10,816,915	11,376,038	12,279,949	15,453,279	17,650,193
Debt Service Funds	249,541	214,996	219,291	179,783	253,283	267,503	243,372	325,337	444,920	423,226
Capital Projects Funds ¹	2,392,144	2,592,589	4,710,008	2,715,644	6,282,430	21,484,777	18,311,200	11,561,992	7,191,450	12,854,505
Total All Other Governmental Funds	\$ 16,561,225	\$ 15,209,456	\$ 17,879,675	\$ 25,897,860	\$ 19,032,119	\$ 37,396,736	\$ 35,639,873	\$ 32,979,943	\$ 36,212,573	\$ 34,982,874

¹ In 2001, the County received \$19,995,000 in general obligation bond proceeds for various capital projects.

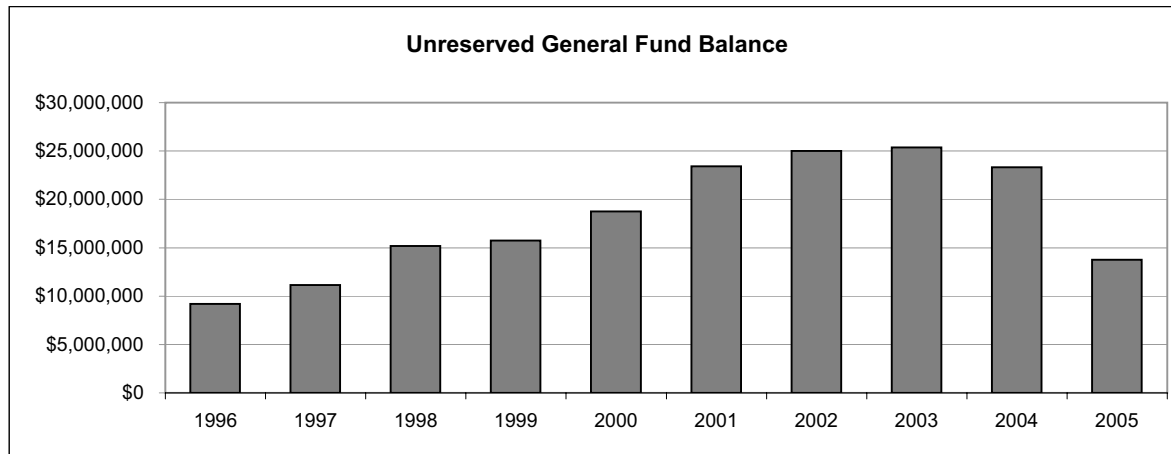


Table 4

Clermont County, Ohio

Changes in Fund Balances, Governmental Funds

Last Ten Years

(modified accrual basis of accounting)

	1996	1997	1998	1999
Revenues				
Property and Other Taxes	\$ 26,162,781	\$ 28,559,276	\$ 29,834,519	\$ 31,556,484
Charges for Services	9,276,690	11,108,794	12,486,913	11,779,888
Licenses and Permits	1,236,064	1,111,566	1,191,080	1,247,468
Fines and Forfeitures	1,307,644	1,358,463	1,632,510	1,836,134
Intergovernmental	26,045,080	29,894,228	28,585,751	34,219,949
Special Assessments	273,301	289,375	427,187	440,008
Investment Earnings	2,965,213	2,826,941	3,657,144	4,027,809
Net Decrease in Fair Value of Investments	0	0	433,668	(1,510,094)
Other	2,630,399	3,951,641	3,352,515	2,857,999
<i>Total Revenues</i>	<u>69,897,172</u>	<u>79,100,284</u>	<u>81,601,287</u>	<u>86,455,645</u>
Expenditures				
Current				
General Government				
Legislative and Executive	13,348,984	14,711,493	13,063,096	14,486,655
Judicial	6,078,577	5,954,568	5,961,255	6,388,418
Public Safety	12,622,604	14,719,838	15,444,389	16,312,871
Public Works	7,763,303	7,983,786	7,163,314	7,369,289
Health	984,608	1,093,465	795,335	792,814
Human Services	20,512,803	21,549,629	21,548,579	23,153,957
Community Development	259,290	463,146	325,415	455,270
Transportation	0	374,532	1,728,413	1,577,827
Intergovernmental	1,231,739	997,862	1,036,862	1,081,659
Capital Outlay	4,585,807	8,039,506	3,602,149	9,684,993
Debt Service:				
Principal Retirement	2,031,500	2,113,000	2,242,000	2,378,000
Interest and Fiscal Charges	1,804,062	1,886,467	1,839,873	1,744,529
Cost of Issuance	0	0	0	0
<i>Total Expenditures</i>	<u>71,223,277</u>	<u>79,887,292</u>	<u>74,750,680</u>	<u>85,426,282</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,326,105)</u>	<u>(787,008)</u>	<u>6,850,607</u>	<u>1,029,363</u>
Other Financing Sources (Uses)				
Refunding Bonds Issued	0	0	0	0
General Obligation Bonds Issued	0	0	0	6,500,000
Special Assessment Bonds Issued	0	1,165,000	590,000	690,000
OPWC Bonds Issued	0	0	0	0
Payment to Refunded Bonds Escrow Agent	0	0	0	0
Payment to Defeased Bond Escrow Agent	0	0	0	0
Other Financing (Uses) - Discount	0	0	0	0
Other Financing Sources - Premium	0	0	0	0
Other Financing Sources	0	107,400	0	0
Transfers In	6,976,961	9,594,463	8,350,763	11,400,999
Transfers Out	(6,788,166)	(9,621,374)	(9,361,363)	(11,150,999)
Proceeds from the Sale of Capital Assets	31,862	205,088	413,510	172,683
<i>Total Other Financing Sources (Uses)</i>	<u>220,657</u>	<u>1,450,577</u>	<u>(7,090)</u>	<u>7,612,683</u>
Special Item				
Proceeds from the Exchange of Infrastructure ¹	0	0	0	0
<i>Net Change in Fund Balance</i>	<u>\$ (1,105,448)</u>	<u>\$ 663,569</u>	<u>\$ 6,843,517</u>	<u>\$ 8,642,046</u>
Debt Service as a Percentage of Noncapital Expenditures	6.2%	6.0%	6.2%	5.8%

¹The proceeds are from an agreement with the Ohio Department of Transportation to exchange infrastructure and to pay the debt associated with the infrastructure.

	2000	2001	2002	2003	2004	2005
\$	31,626,636	\$ 34,379,497	\$ 38,193,082	\$ 38,277,066	\$ 39,755,700	\$ 39,894,619
	12,601,113	15,055,761	16,427,657	16,299,004	17,339,735	18,480,378
	1,282,523	1,295,919	1,354,799	1,551,201	1,807,576	2,063,488
	1,722,864	1,575,449	1,895,526	1,817,342	1,890,580	1,858,195
	33,456,987	39,273,256	40,978,399	43,034,581	44,040,412	48,006,570
	588,124	612,310	567,484	867,055	1,218,024	1,126,869
	4,897,257	5,158,257	4,611,656	3,058,159	2,776,124	3,590,248
	1,536,478	687,011	(350,450)	(1,008,203)	(415,787)	(850,205)
	2,334,353	5,594,396	1,213,181	1,903,417	1,293,470	1,900,227
	<u>90,046,335</u>	<u>103,631,856</u>	<u>104,891,334</u>	<u>105,799,622</u>	<u>109,705,834</u>	<u>116,070,389</u>
	13,973,536	16,076,462	16,309,120	16,249,761	16,289,174	18,355,723
	6,802,508	7,392,920	7,366,542	8,052,886	8,677,467	8,916,782
	17,579,375	19,597,964	21,490,260	22,345,014	23,631,927	25,105,955
	8,355,342	8,483,972	7,982,618	10,534,697	9,969,435	11,494,227
	684,306	824,629	821,758	818,670	964,620	823,847
	24,475,887	25,854,986	28,152,379	29,793,456	29,616,479	29,879,236
	485,033	866,448	321,188	45,377	706,949	1,877,047
	1,951,308	1,525,157	1,875,182	1,788,971	1,421,673	1,501,225
	2,809,966	1,482,661	2,066,421	2,229,214	1,193,103	569,756
	11,886,127	10,111,738	11,604,147	14,961,652	11,979,995	15,603,926
	2,919,000	3,080,000	3,634,938	3,825,876	4,380,876	3,790,876
	2,022,534	1,926,454	2,345,007	2,097,899	1,859,322	1,364,931
	0	0	0	162,438	0	0
	<u>93,944,922</u>	<u>97,223,391</u>	<u>103,969,560</u>	<u>112,905,911</u>	<u>110,691,020</u>	<u>119,283,531</u>
	<u>(3,898,587)</u>	<u>6,408,465</u>	<u>921,774</u>	<u>(7,106,289)</u>	<u>(985,186)</u>	<u>(3,213,142)</u>
	0	2,695,000	0	13,395,000	0	0
	0	17,300,000	0	4,120,000	0	0
	1,120,000	40,000	320,000	240,000	2,160,000	1,850,000
	0	0	357,521	0	0	0
	0	(2,660,731)	0	(13,330,500)	0	0
	0	0	0	0	(9,221,586)	0
	0	0	0	0	(534)	(60,485)
	0	0	0	174,910	0	0
	0	0	0	0	0	0
	10,406,673	10,238,955	10,700,733	10,454,882	10,873,576	10,186,363
	(11,376,673)	(10,178,955)	(10,870,733)	(10,604,882)	(12,213,042)	(11,811,993)
	<u>74,606</u>	<u>19,677</u>	<u>222,999</u>	<u>41,669</u>	<u>70,283</u>	<u>107,132</u>
	<u>224,606</u>	<u>17,453,946</u>	<u>730,520</u>	<u>4,491,079</u>	<u>(8,331,303)</u>	<u>271,017</u>
	0	0	0	0	10,500,000	0
\$	<u>(3,673,981)</u>	<u>\$ 23,862,411</u>	<u>\$ 1,652,294</u>	<u>\$ (2,615,210)</u>	<u>\$ 1,183,511</u>	<u>\$ (2,942,125)</u>
	6.7%	6.2%	7.1%	6.8%	6.8%	5.3%

Table 5

Clermont County, OhioAssessed and Estimated Actual Value of Taxable Property¹

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	Total Direct Rate ⁴
	Residential/Agriculture		Commercial/Industrial		Estimated		Estimated		Estimated			
	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual	Assessed	Actual		
1997	\$ 1,563,716	\$ 4,467,760	\$ 536,860	\$ 1,533,886	\$ 192,391	\$ 769,564	\$ 608,549	\$ 2,434,196	\$ 2,901,516	\$ 9,205,406	31.52%	4.90
1998	1,624,289	4,640,826	546,371	1,561,060	208,672	834,688	606,183	2,424,732	2,985,515	9,461,306	31.55%	4.90
1999	1,695,593	4,844,551	559,080	1,597,371	208,217	832,868	608,783	2,435,132	3,071,673	9,709,923	31.63%	4.90
2000	1,951,631	5,576,089	587,884	1,679,669	219,511	878,044	567,280	2,269,120	3,326,306	10,402,921	31.97%	4.90
2001	2,033,920	5,811,200	602,506	1,721,446	190,220	760,880	540,820	2,163,280	3,367,466	10,456,806	32.20%	5.00
2002	2,120,799	6,059,426	629,265	1,797,900	199,683	798,732	262,596	1,050,384	3,212,343	9,706,442	33.09%	5.00
2003	2,429,473	6,941,351	707,441	2,021,260	201,346	805,384	276,545	1,106,180	3,614,805	10,874,175	33.24%	5.00
2004	2,519,648	7,198,994	720,168	2,057,623	192,937	803,904	276,812	1,107,248	3,709,565	11,167,769	33.22%	5.00
2005	2,608,621	7,453,203	731,313	2,089,466	198,398	862,600	274,686	1,098,744	3,813,018	11,504,013	33.15%	5.00
2006	2,973,626	8,496,074	796,969	2,277,054	169,593	737,361	282,270	1,129,080	4,222,458	12,639,569	33.41%	5.00

Source: Clermont County Auditor

¹Exempt properties are not included in the estimated actual values nor in assessed valuations.²The 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.³The 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).⁴ The Total Direct Rate is per \$100,000 in assessed value

Table 6
Clermont County, Ohio
 Property Tax Levies and Collections
 Last Ten Years

Collection Year	Current Taxes Levied	Current Taxes Collected	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Taxes Collected	Percent of Total Collections to Current Tax Levy
1996	\$ 17,773,775	\$ 17,299,215	97.33	\$ 354,484	\$ 17,653,699	99.32
1997	18,950,477	18,363,919	96.90	355,936	18,719,855	98.78
1998	19,427,368	18,977,753	97.69	668,180	19,645,933	101.13
1999	19,956,008	19,402,173	97.22	518,947	19,921,120	99.83
2000	20,810,509	20,120,975	96.69	553,050	20,674,025	99.34
2001	21,173,444	20,547,474	97.04	560,799	21,108,273	99.69
2002	21,833,074	21,075,908	96.53	602,250	21,678,158	99.29
2003	21,763,491	21,097,568	96.94	1,059,047	22,156,615	101.81
2004	25,077,636	24,407,795	97.33	713,996	25,121,791	100.18
2005	25,749,568	25,063,417	97.34	687,505	25,750,922	100.01

Source: Clermont County Auditor

Note: Includes all tax rates levied County-wide. Refer to "Table 7 - Property Tax Rates-Direct and Overlapping Governments" in this section.

Table 7

Clermont County, OhioProperty Tax Rates - Direct and Overlapping Governments¹

Last Ten Years

(Per \$1000 of Assessed Value)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<u>County Entities</u>										
General	\$ 2.20	\$ 2.10	\$ 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	1.10	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	1.00	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	5.00	5.00	5.00	5.00	5.00
<u>Other Entities</u>										
Bd of Mental Retardation	3.25	3.25	3.25	3.25	3.25	3.25	2.50	2.50	3.25	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	3.60	3.60	4.35	4.35
Total County-Wide	9.25	9.25	9.25	9.25	9.25	9.35	8.60	8.60	9.35	9.35
<u>School Districts</u>										
Batavia	48.40	48.40	48.40	48.40	48.40	48.40	48.10	48.10	55.00	54.30
Bethel-Tate	33.70	33.70	33.70	38.54	38.64	38.44	38.44	38.44	38.44	38.04
Clermont-Northeastern	36.00	36.50	36.50	36.50	36.50	36.00	36.00	36.00	35.75	35.50
Felicity-Franklin	33.30	33.30	33.30	33.30	33.30	34.90	34.90	34.90	33.50	32.80
Goshen	30.40	26.40	26.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40
Milford	54.52	59.10	59.10	59.10	59.10	63.20	63.20	69.10	69.10	69.10
New Richmond	32.40	32.40	32.45	32.45	32.55	32.65	32.55	32.55	32.55	32.55
West Clermont	49.15	49.15	49.15	49.15	49.15	49.15	49.15	49.15	57.05	56.00
Williamsburg	45.60	45.60	45.60	45.60	45.00	45.00	44.60	44.60	48.20	47.40
U. S. Grant Vocational	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	5.85
<u>Out-Of-County School Districts</u>										
Blanchester	33.45	33.45	33.45	36.04	36.04	35.94	35.94	35.94	35.94	35.10
Forest Hills	50.84	50.84	50.84	50.63	50.44	50.44	55.34	55.34	55.84	55.13
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	42.54	47.75	46.98	45.44	44.34	43.89	47.44	45.94	45.39	42.84
Loveland	59.68	59.12	63.75	63.33	69.68	69.68	69.68	69.43	74.42	74.42
Southern Hills Vocational	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	6.40
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	24.60	24.60	24.60	24.60	23.10	23.10	23.10	23.10	22.40

Source: Clermont County Auditor

¹Property 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.

Table 7

Clermont County, OhioProperty Tax Rates - Direct and Overlapping Governments¹

Last Ten Years

(Per \$1000 of Assessed Value)

(Continued)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<u>Corporations</u>										
Amelia	18.80	18.80	17.80	18.90	17.00	17.00	17.00	19.70	18.30	21.30
Batavia	6.50	6.50	6.50	6.50	6.50	1.90	1.80	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	15.00	12.00	12.00
Milford	14.30	14.30	14.30	14.30	13.70	13.70	13.70	13.70	13.70	13.70
Moscow	4.54	4.54	4.54	4.54	5.04	5.04	3.50	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	16.50	16.50	16.50	21.50	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	12.60
Williamsburg	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
<u>Out-Of-County Corporations</u>										
Loveland	9.55	9.55	9.55	9.55	9.55	11.55	11.55	11.55	11.00	11.55
<u>Townships</u>										
Batavia	6.90	6.90	6.90	6.90	6.90	2.40	2.40	2.40	2.40	2.40
Franklin	9.20	9.20	9.20	9.20	12.20	14.20	14.20	14.20	14.20	14.20
Goshen	17.60	17.60	17.60	17.60	17.60	17.60	21.60	21.60	21.60	21.60
Jackson	8.40	8.40	10.40	10.40	10.40	10.40	10.40	10.40	10.40	10.40
Miami	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	26.01
Monroe	10.60	16.60	16.60	10.60	10.60	10.60	10.60	16.10	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	13.30	14.00	14.00	14.00	16.90	16.90	16.90	16.90	16.90	16.90
Stonelick	8.10	8.10	10.60	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	12.80	12.80	12.80
Union	17.40	17.40	17.40	17.40	17.40	17.40	21.40	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	10.70	10.70	10.70	12.70	12.70	12.70	12.70	12.70
Williamsburg	5.80	5.80	5.80	8.70	8.70	8.70	8.70	8.70	8.70	8.70
<u>Other Districts</u>										
Bethel-Tate Jnt. Amb. ²	5.30	5.30	6.60	6.60	6.60	6.60	6.60	0.00	0.00	0.00
Central Joint Fire & EMS						5.50	5.50	5.50	5.50	5.50

Source: Clermont County Auditor

¹Property 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.

²The District dissolved in April 2003.

Table 8
Clermont County, Ohio
Principal Property Taxpayers
Current Year and Nine Years Ago

2005				
	Real Estate Assessed Valuation	Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total Assessed Valuation
Cinergy Corporation	\$ 39,114,860	\$ 172,946,370	\$ 212,061,230	5.02%
Dayton Power & Light	16,883,850	32,869,330	49,753,180	1.18%
Columbus & Southern	13,658,280	32,005,580	45,663,860	1.08%
Batavia Transmissions	13,683,180	18,867,500	32,550,680	0.77%
Cincinnati Bell Telephone	0	20,831,600	20,831,600	0.49%
Meijer Stores	8,487,500	4,298,570	12,786,070	0.30%
Eastgate Company	9,621,390	0	9,621,390	0.23%
Acquiport Milford LLC	9,406,940	0	9,406,940	0.22%
Amerishop Biggs Place	7,231,350	1,857,600	9,088,950	0.22%
OTR	6,652,220	0	6,652,220	0.16%
Totals	\$ 124,739,570	\$ 283,676,550	\$ 408,416,120	9.67%

1996				
	Real Estate Assessed Valuation	Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total Assessed Valuation
Cinergy Corporation	\$ 39,717,594	\$ 359,208,570	\$ 398,926,164	15.58%
Dayton Power & Light	16,416,757	103,948,520	120,365,277	4.70%
Columbus & Southern	13,082,629	87,373,810	100,456,439	3.92%
Cincinnati Bell Telephone	885,854	44,756,280	45,642,134	1.78%
Ford Motor Company	13,934,510	31,538,580	45,473,090	1.78%
Eastgate Company	22,234,960	52,490	22,287,450	0.87%
Cincinnati Milacron	4,023,620	11,999,460	16,023,080	0.63%
Teachers Realty Corp	11,822,090	0	11,822,090	0.46%
Ohio Valley Electric	147,980	9,225,960	9,373,940	0.37%
Wilmington Trust	0	8,420,560	8,420,560	0.33%
Totals	\$ 122,265,994	\$ 656,524,230	\$ 778,790,224	30.41%

Source: Clermont County Auditor

Table 9
Clermont County, Ohio
 Water & Sewer Sold by Type of Customer
 Last Seven Years
(in millions of gallons)

	1999	2000	2001	2002	2003	2004	2005
Water							
Residential	2,232.2	2,040.4	2,086.2	2,370.0	2,063.8	2,289.8	2,411.5
Multi Family	654.0	646.5	652.5	642.3	609.1	628.4	625.8
Commercial	859.2	737.0	736.6	804.0	786.8	795.8	794.3
Industrial	146.4	140.1	149.2	171.7	176.1	179.7	175.8
Recreational	8.2	5.8	5.1	4.3	4.5	3.9	3.6
Remote	0.4	0.3	0.3	0.3	0.2	0.3	0.3
Institutional	53.2	43.5	51.0	51.4	50.5	51.4	51.5
Totals	<u>3,953.6</u>	<u>3,613.6</u>	<u>3,680.9</u>	<u>4,044.0</u>	<u>3,691.0</u>	<u>3,949.3</u>	<u>4,062.8</u>
Total Direct Rate	\$ 2.80	\$ 2.96	\$ 2.88	\$ 2.73	\$ 2.74	\$ 2.67	\$ 2.71
Sewer							
Residential	1,844.8	1,719.2	1,767.7	1,996.5	1,762.5	1,971.7	2,072.9
Multi Family	638.4	628.3	639.6	625.8	590.7	603.4	606.8
Commercial	570.8	565.5	562.6	570.2	522.8	546.2	539.8
Industrial	128.4	139.7	150.5	174.2	130.1	88.4	123.1
Recreational	16.5	6.6	5.8	5.7	5.4	4.7	3.9
Remote	0.0	8.8	0.0	7.9	7.9	8.1	6.6
Institutional	50.0	48.0	50.1	47.7	47.3	47.4	46.6
Totals	<u>3,248.9</u>	<u>3,116.1</u>	<u>3,176.3</u>	<u>3,428.0</u>	<u>3,066.7</u>	<u>3,269.9</u>	<u>3,399.7</u>
Total Direct Rate	\$ 4.28	\$ 4.41	\$ 4.07	\$ 3.92	\$ 4.33	\$ 4.14	\$ 3.99

Source: Clermont County Sewer District
 Note: Information not available prior to 1999.

Table 10
Clermont County, Ohio
 Water & Sewer Rates
 Last Ten Years

WATER										
Years	Monthly Minimum Rates 3/4"	Monthly Minimum Rates 1"	Monthly Minimum Rates 1 1/2"	Monthly Minimum Rates 2"	Rate Per 1,000 gal Over Minimum*	Monthly Minimum Rates 3/4"	Monthly Minimum Rates 1"	Monthly Minimum Rates 1 1/2"	Monthly Minimum Rates 2"	Rate Per 1,000 gal Over Minimum*
Residential						Non-Residential				
1996	\$ 15.00	\$ 60.00	\$ 120.00	192.00	\$2.25/\$3.25/\$4.45	\$ 24.00	\$ 60.00	\$ 120.00	\$ 192.00	\$2.25/\$3.25/\$4.45
1997	15.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	24.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45
1998	15.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	24.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45
1999	15.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	24.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45
2000	15.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	24.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45
2001	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	22.80	22.80	22.80	\$2.14/\$3.09/\$4.23
2002	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	22.80	22.80	22.80	\$2.14/\$3.09/\$4.23
2003	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	22.80	22.80	22.80	\$2.14/\$3.09/\$4.23
2004	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	22.80	22.80	22.80	\$2.14/\$3.09/\$4.23
2005	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23
SEWER										
Years	Monthly Minimum Rates 3/4"	Monthly Minimum Rates 1"	Monthly Minimum Rates 1 1/2"	Monthly Minimum Rates 2"	Rate Per 1,000 gallon Over Minimum	Monthly Minimum Rates 3/4"	Monthly Minimum Rates 1"	Monthly Minimum Rates 1 1/2"	Monthly Minimum Rates 2"	Rate Per 1,000 gallon Over Minimum
Residential						Non-Residential				
1996	\$ 22.25	\$ 89.00	\$ 178.00	\$ 284.80	\$ 4.45	\$ 35.60	\$ 89.00	\$ 178.00	\$ 284.80	\$ 4.45
1997	22.25	89.00	178.00	284.80	4.45	35.60	89.00	178.00	284.80	4.45
1998	22.25	89.00	178.00	284.80	4.45	35.60	89.00	178.00	284.80	4.45
1999	22.25	89.00	178.00	284.80	4.45	35.60	89.00	178.00	284.80	4.45
2000	22.25	89.00	178.00	284.80	4.45	35.60	89.00	178.00	284.80	4.45
2001	20.35	81.40	162.80	260.48	4.07	20.35	81.40	162.80	260.48	4.07
2002	20.35	81.40	162.80	260.48	4.07	20.35	81.40	162.80	260.48	4.07
2003	20.35	81.40	162.80	260.48	4.07	20.35	81.40	162.80	260.48	4.07
2004	20.35	81.40	162.80	260.48	4.07	20.35	81.40	162.80	260.48	4.07
2005	20.35	81.40	162.80	260.48	4.07	20.35	81.40	162.80	260.48	4.07

Source: Clermont County Sewer District

* These rates are based on the customer's meter size

Table 11
Clermont County, Ohio
Principal Users of Water
Current Year and Three years ago

2005				
	Consumption (in Gallons)	Percent of System Usage	Water Revenue	Percent of System Revenue
Batavia Transmissions	104,525,000	2.57%	\$ 232,718	2.11%
Williamsburg Village	69,765,000	1.72%	150,825	1.37%
Batavia Village	67,161,000	1.65%	141,167	1.28%
3M Precision Optics	23,843,400	0.59%	59,430	0.54%
City of Milford	25,273,000	0.62%	54,064	0.49%
New Richmond Village	25,255,000	0.62%	54,046	0.49%
Cintas Corporation	22,200,000	0.55%	52,331	0.47%
Greenbriar Mobile Home Park	22,080,000	0.54%	48,816	0.44%
Arrowhead Apartments	15,385,000	0.38%	40,592	0.37%
Holiday Parks	15,726,300	0.39%	36,408	0.33%
Totals	391,213,700		\$ 870,397	

2002				
	Consumption (in Gallons)	Percent of System Usage	Water Revenue	Percent of System Revenue
Batavia Village	79,704,000	1.97%	\$ 170,567	1.44%
ZF Batavia	78,510,000	1.94%	170,907	1.44%
Williamsburg Village	34,727,000	0.86%	74,315	0.63%
City of Milford	24,216,000	0.60%	51,822	0.44%
New Richmond Village	23,215,000	0.57%	49,680	0.42%
3M Precision Optics	22,267,600	0.55%	58,527	0.49%
Greenbriar Mobile Home Park	20,806,000	0.51%	46,229	0.39%
3M Precision Optics	19,405,900	0.48%	48,827	0.41%
Cintas Uniform	16,750,300	0.41%	41,319	0.35%
Arrowhead Apartments	16,464,000	0.41%	48,031	0.41%
Totals	336,065,800		\$ 760,224	

Source: Clermont County Sewer District

Note: Information not available prior to 2002

Table 12
Clermont County, Ohio
Principal Users of Sewer
Current Year and Three years ago

2005				
	<u>Consumption (in Gallons)</u>	<u>Percent of System Usage</u>	<u>Sewer Revenue</u>	<u>Percent of System Revenue</u>
Batavia Transmissions	64,349,900	1.89%	\$ 365,549	2.70%
3M Precision Optics	26,796,400	0.79%	109,788	0.81%
Cintas Corporation	25,104,300	0.74%	107,359	0.79%
Greenbriar Mobile Home Park	22,080,000	0.65%	89,601	0.66%
Lakeshore Estates	17,244,800	0.51%	76,360	0.56%
Green Acres	16,529,600	0.49%	69,983	0.52%
Holiday Parks	15,726,300	0.46%	66,002	0.49%
Arrowhead Apartments	15,385,000	0.45%	62,617	0.46%
Milford Commons	13,700,300	0.40%	56,684	0.42%
Deerfield Apartments	<u>12,302,300</u>	0.36%	<u>50,684</u>	0.37%
Totals	<u>229,218,900</u>		<u>\$ 1,054,626</u>	

2002				
	<u>Consumption (in Gallons)</u>	<u>Percent of System Usage</u>	<u>Sewer Revenue</u>	<u>Percent of System Revenue</u>
ZF Batavia	78,510,000	2.29%	\$ 484,092	3.52%
3M Precision Optics	22,267,600	0.65%	90,629	0.66%
3M Precision Optics	22,091,500	0.64%	89,912	0.65%
Greenbriar Mobile Home Park	20,806,000	0.61%	84,680	0.61%
Greenbriar Mobile Home Park	19,144,600	0.56%	77,918	0.57%
Cintas Uniform	18,678,200	0.54%	79,821	0.58%
Lakeshore Mobile Home Park	17,804,900	0.52%	72,466	0.53%
Arrowhead Apartments	16,464,000	0.48%	67,008	0.49%
Milford Commons Apartments	15,907,900	0.46%	64,745	0.47%
Clermont Mercy Hospital	<u>14,714,700</u>	0.43%	<u>59,808</u>	0.43%
Totals	<u>246,389,400</u>		<u>\$ 1,171,079</u>	

Source: Clermont County Sewer District
Note: Information not available prior to 2002

Table 13

Clermont County, Ohio

Ratios of Outstanding Debt by Type

Last Ten Years

(amounts expressed in thousands, except per capita amount)

Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Personal Income ²	Per Capita ²
	General Obligation Bonds	Percentage of Actual Property Value ¹	Per Capita ²	Ohio Public Works Commission	Special Assessment Bonds	Sewer Revenue Bonds	Water Revenue Bonds	Ohio Public Works Commission	Ohio Water Development Authority			
1996	\$ 31,315	0.34%	\$ 183.72	\$ 0	\$ 1,670	\$ 50,050	\$ 51,745	\$ 1,022	\$ 2,379	\$ 138,181	4.42%	\$ 810.68
1997	29,395	0.31%	170.89	0	2,637	48,975	50,415	2,411	2,298	136,131	4.10%	791.41
1998	27,405	0.28%	157.21	0	2,975	47,860	49,030	2,344	2,196	131,810	3.36%	756.14
1999	31,825	0.31%	180.86	0	3,367	46,700	47,585	3,157	2,088	134,722	2.91%	765.64
2000	29,230	0.28%	160.02	0	4,163	45,490	46,075	3,036	1,974	129,968	2.77%	711.53
2001	43,950	0.45%	238.44	0	3,838	44,230	44,495	3,522	1,854	141,889	2.72%	769.80
2002	40,695	0.37%	221.13	349	3,787	42,915	42,835	3,399	1,727	135,707	2.46%	737.42
2003	41,735	0.37%	218.51	331	3,624	39,345	37,020	4,834	1,594	128,483	2.10%	672.69
2004	28,710	0.25%	148.24	313	5,401	37,560	34,965	6,937	1,453	115,339	1.86%	595.53
2005	25,350	0.20%	130.89	295	6,838	35,925	33,015	6,289	1,304	109,016	1.69%	562.88

¹Actual Property Values used for calculation are from Table 5²Population and Personal Income used for calculation are from Table 17

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements

Table 14
Clermont County, Ohio
 Computation of Direct and Overlapping Debt
 December 31, 2005

Political Subdivision	Debt Outstanding	Percentage Applicable To County	Amount Applicable To Clermont County
Clermont County	\$ 27,259,955	100.00%	\$ 27,259,955
Villages wholly within County	979,000	100.00%	979,000
Townships wholly within County	23,636,186	100.00%	23,636,186
School Districts wholly within County	<u>17,924,701</u>	100.00%	<u>17,924,701</u>
Total within County	<u>69,799,842</u>		<u>69,799,842</u>
Cities with overlapping			
City of Loveland	5,450,000	12.24%	667,080
City of Milford	2,945,000	99.16%	2,920,262
School Districts with overlapping			
Bethel-Tate Local S. D.	5,053,000	99.92%	5,048,958
Blanchester Local S. D.	3,914,000	14.10%	551,874
Clermont Northeastern Local S. D.	3,004,985	99.64%	2,994,167
Goshen Local S. D.	5,565,000	92.94%	5,172,111
Loveland City S. D.	30,799,810	45.43%	13,992,354
Little Miami Local S. D.	14,839,968	0.15%	22,260
Milford Exempted Village S. D.	40,755,000	99.88%	40,706,094
Williamsburg Local S. D.	3,115,000	98.49%	3,067,964
Great Oaks J. V. S. D.	<u>4,340,000</u>	17.63%	<u>765,142</u>
Total overlapping	<u>119,781,763</u>		<u>75,908,265</u>
Grand Total	<u>\$ 189,581,605</u>		<u>\$ 145,708,107</u>

Source: Ohio Municipal Advisory Council
 Clermont County Auditor

Table 15
Clermont County, Ohio
 Legal Debt Margin
 Last Ten Years

Legal Debt Margin Calculation for 2005

Assessed Value	
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>98,061,459</u>
Total direct debt limit	104,061,459
Debt applicable to Limit	
General Obligation Bonds	25,350,000
Less: Exempted General Obligation Bonds	(12,465,000)
Less: Available funds in Debt Service Funds	<u>(182,313)</u>
Total net debt (voted and unvoted) applicable to direct debt limit	12,702,687
Direct Legal Debt Margin	<u>\$91,358,772</u>
Unvoted debt limitation (subject to 1% of County assessed valuation)	\$42,224,584
Total Net indebtedness (unvoted-subject to the 1% legal debt limitation)	<u>12,702,687</u>
Total unvoted legal debt margin:	<u>\$29,521,897</u>

(dollars expressed in thousands)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Direct Debt Limit (voted and unvoted)	\$ 71,029	\$ 72,791	\$ 75,292	\$ 81,658	\$ 82,687	\$ 78,809	\$ 88,870	\$ 88,870	\$ 93,825	\$ 104,061
Total Net Debt (voted and unvoted) Applicable to Direct Debt Limit	<u>14,624</u>	<u>14,909</u>	<u>13,708</u>	<u>14,555</u>	<u>13,148</u>	<u>27,948</u>	<u>25,472</u>	<u>23,297</u>	<u>20,930</u>	<u>12,703</u>
Direct Legal Debt Margin (voted and unvoted)	<u>\$ 56,405</u>	<u>\$ 57,882</u>	<u>\$ 61,584</u>	<u>\$ 67,103</u>	<u>\$ 69,539</u>	<u>\$ 50,861</u>	<u>\$ 63,398</u>	<u>\$ 65,573</u>	<u>\$ 72,895</u>	<u>\$ 91,358</u>
Total Net Debt (voted and unvoted) Applicable to the Direct Limit as a Percentage of Direct Debt Limit	20.6%	20.5%	18.2%	17.8%	15.9%	35.5%	28.7%	26.2%	22.3%	12.2%
Unvoted Debt Limit	29,012	29,716	30,717	33,263	33,675	32,123	36,148	36,148	38,130	42,225
Total Unvoted Net Debt Applicable to Unvoted Debt Limit	<u>14,624</u>	<u>14,909</u>	<u>13,708</u>	<u>14,555</u>	<u>13,148</u>	<u>27,948</u>	<u>25,472</u>	<u>23,297</u>	<u>20,930</u>	<u>12,703</u>
Unvoted Legal Debt Margin	<u>\$ 14,388</u>	<u>\$ 14,807</u>	<u>\$ 17,009</u>	<u>\$ 18,708</u>	<u>\$ 20,527</u>	<u>\$ 4,175</u>	<u>\$ 10,676</u>	<u>\$ 12,851</u>	<u>\$ 17,200</u>	<u>\$ 29,522</u>
Total Unvoted Net Debt Applicable to the Unvoted Limit as a Percentage of the Unvoted Debt Limit	50.4%	50.2%	44.6%	43.8%	39.0%	87.0%	70.5%	64.4%	54.9%	30.1%

Source: Clermont County Auditor

Table 16
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	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
	2005	15,232,573	7,290,988	7,941,585	3,117,670	255	2,897,416	348
Water Fund Bond Coverage	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
	2005	12,578,416	6,622,638	5,955,778	3,467,405	172	1,867,185	226

Source: Clermont County Sewer District

¹Including investment income

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

³It 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 17
Clermont County, Ohio
 Demographic and Economic Statistics
 Last Ten Years

Year	Population ¹	Per Capita Income ²	Personal Income ³ (in thousands)	Unemployment Rate ⁴	Median Age ²	K-12 School Enrollment ⁵	Average Sales Price of Residential Property ⁶
1996	170,450	\$ 18,349	\$ 3,127,587	4.2	32.93	28,874	\$ 131,354
1997	172,010	19,290	3,318,073	4.1	33.27	28,739	132,245
1998	174,320	22,530	3,927,430	3.5	33.52	28,384	135,131
1999	175,960	26,340	4,634,786	3.7	33.66	28,363	139,160
2000	182,660	25,707	4,695,641	3.3	33.87	28,145	144,633
2001	184,320	28,255	5,207,962	4.1	33.75	27,974	149,350
2002	184,030	29,997	5,520,348	4.5	35.30	27,874	154,495
2003	185,704	33,000	6,128,232	6.3	35.82	28,150	167,972
2004	188,614	32,793	6,185,219	6.6	35.47	28,289	167,980
2005	190,589	33,817	6,445,148	5.4	35.67	28,430	173,500

Sources: ¹Ohio Department of Development
²Clermont County Economic Development Department
³Population * Per Capital Income
⁴Ohio Department of Job & Family Services
⁵Clermont County Board of Education
⁶Clermont County Auditor

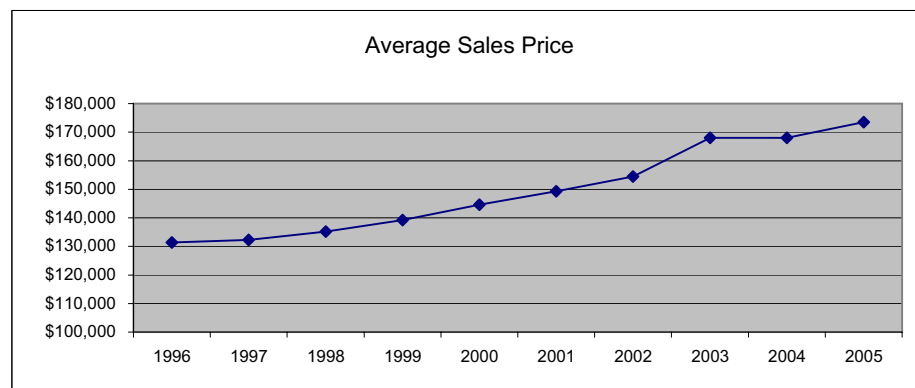
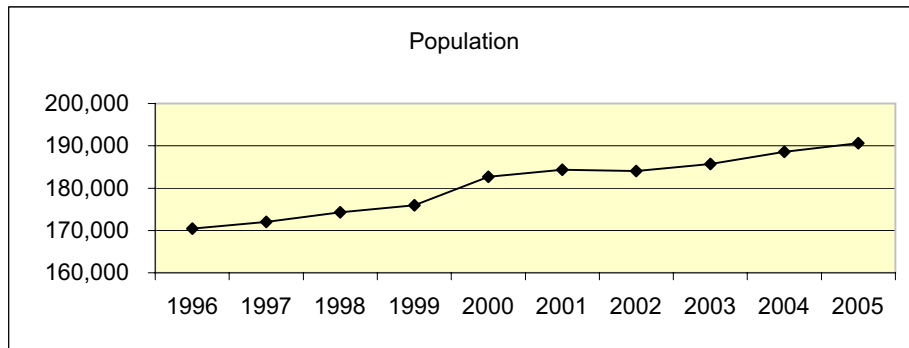


Table 18
Clermont County, Ohio
Principal Employers
Current Year and Nine Years Ago

2005		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Batavia Transmissions LLC	1,160	1.18%
Clermont County	1,026	1.04%
The Midland Company	1,000	1.02%
West Clermont Local School District	800	0.81%
Milford Exempted Village School District	680	0.69%
Milacron, Inc.	669	0.68%
UGS, Corp.	650	0.66%
Jeff Wyler Dealer Group	639	0.65%
International Paper	635	0.65%
Mercy Hospital Clermont	606	0.62%
Total	7,865	7.99%

1996		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Ford Motor Company	1,500	1.83%
Cincinnati Milacron	1,400	1.71%
Clermont County	1,307	1.59%
Structural Dynamics Research Corp	1,200	1.46%
U.S. Precision Lens	972	1.19%
West Clermont Local School District	756	0.92%
Cinergy Corporation	700	0.85%
Cincinnati Bell Telephone	700	0.85%
Mercy Hospital Clermont	700	0.85%
Milford Exempted Village School District	600	0.73%
Total	9,835	11.99%

Source: Clermont County Chamber of Commerce

Table 19

Clermont County, OhioFull-Time Equivalent County Government Employees by Function/Program
Last Ten Years

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Legislative and Executive	154.5	164.0	160.5	162.0	187.0	193.0	207.0	202.0	200.0	201.0
Judicial	138.5	140.0	131.5	135.5	138.0	145.5	145.0	143.5	145.5	149.0
Public Safety	264.5	292.5	302.0	312.5	312.5	326.5	338.0	341.0	348.5	358.5
Public Works	57.5	59.0	58.5	61.0	60.5	63.5	66.5	64.5	63.5	63.0
Health	4.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	4.0
Human Services	245.0	243.0	249.0	222.0	217.5	224.5	225.5	221.0	219.5	215.5
Community Development	4.5	4.5	2.0	5.5	7.5	7.5	5.0	6.0	6.0	6.5
Transportation ¹	0.0	25.5	26.0	20.0	25.5	27.0	26.5	22.5	15.0	14.5
Water ²	53.5	55.5	57.0	51.0	7.0	6.5	5.5	4.5	37.5	37.5
Sewer ³	70.5	69.5	64.0	51.0	7.0	6.5	5.5	36.0	43.5	43.5
Total	992.5	1,054.5	1,052.5	1,022.5	964.5	1,002.5	1,026.5	1,043.0	1,082.0	1,093.0

Source: Clermont County Auditor

Method: Using 1.0 for each full-time employee, and 0.5 for each part-time and seasonal employee based at December 31 of each year

¹Community Transportation became a department of the Board of County Commissioners in 1997²In 2000, the Sewer District contracted its operations of water distribution and customer billing to a vendor. In 2004, the contract was terminated and operations reverted back to the County.³In 2000, the Sewer District contracted its operations of the collection system to a vendor. In 2003, the contract was terminated and operations reverted back to the County.

Table 20
Clermont County, Ohio
 Operating Indicators by Function
 Last Ten Years

	1996	1997	1998	1999
General Government				
Legislative and Executive¹				
Value of New Construction	\$ 80,527,650	\$ 75,393,840	\$ 73,591,350	\$ 87,868,500
Number of Parcels	73,116	74,442	76,137	78,230
Purchase Orders Issued	9,141	9,794	9,199	8,593
Payroll Checks Processed	2,351	2,075	2,037	1,809
Judicial				
Municipal Court Cases ²	33,941	36,725	42,696	43,419
Common Pleas Court Cases ^{3*}	3,301	3,579	3,466	6,252
Juvenile Court Cases ⁴	7,800	7,871	7,730	6,983
Probate Court Cases ⁴	2,500	2,262	2,599	2,597
Domestic Relations Court Cases ⁵	4,206	4,416	4,311	3,842
DUI Court Cases ²				
Public Safety				
Construction Permits Issued ⁶	2,196	1,666	1,710	2,391
Estimated Value of Construction ⁶	\$ 204,617,796	\$ 165,313,600	\$ 203,997,894	\$ 215,928,556
Total Arrests ⁷	3,099	4,448	5,405	5,889
Number of Prisoners ⁷	6,528	6,368	5,716	5,364
Motor Vehicle Accidents ⁷			467	594
Calls for Service ^{8**}				
Public Works				
Miles of Roads Resurfaced ⁹	20	21	34	23
Number of Bridges Improved ⁹				5
Tons of Snow Melting Salt Used ⁹	2,069	2,986	4,052	2,268
Health				
Tons of Garbage Recycled ¹⁰	46,627	36,736	34,641	35,545
Number of Dog Licenses Issued ¹	17,915	16,866	15,825	16,168
Human Services¹¹				
Child Support Payments Collected	\$ 26,482,509	\$ 28,046,125	\$ 29,828,823	\$ 31,750,696
Number of Foster Parents				
Children Service Cases Processed				
Amount of Food Stamps Administered		\$ 5,674,210	\$ 4,275,785	\$ 3,844,289
Visits to Workforce Resource Center				
Community Development				
Enterprise Zone Projects Approved in Square Feet ¹²	413,600	415,300	336,262	177,750
CDBG Loan Applications Approved in dollars ¹³	\$ 473,000	\$ 414,500	\$ 70,000	\$ 0
Transportation¹⁴				
Number of Pick-ups			181,094	107,668
Miles Transported			1,218,151	1,190,266
Water¹⁵				
Water Bills Processed				
Value of Construction Projects Completed	\$ 557,462	\$ 1,795,363	\$ 1,993,205	\$ 1,407,872
Sewer¹⁵				
Sewer Bills Processed				
Value of Construction Projects Completed	\$ 10,939,582	\$ 1,051,112	\$ 4,094,543	\$ 1,103,006

Source:

¹ Clermont County Auditor

² Municipal Clerk of Courts

³ Common Pleas Court - General Division

⁴ Common Pleas Court - Juvenile and Probate Divisions

⁵ Common Pleas Court - Domestic Relations Division

⁶ Clermont County Permit Central

⁷ Clermont County Sheriff

⁸ Clermont County Department of Public Safety

⁹ Clermont County Engineer

¹⁰ Clermont County Office of Environmental Quality

¹¹ Clermont County Department of Job & Family Services

¹² Clermont County Department of Economic Development

¹³ Clermont County Department of Community Development

¹⁴ Clermont Transportation Connection

¹⁵ Clermont County Sewer District

* Records were not kept on Misc cases and Certified Judgements until 1999

** Calls prior to 2005 include non-emergency phone calls

	2000	2001	2002	2003	2004	2005
\$	82,997,470	\$ 89,296,900	\$ 99,109,910	\$ 102,716,410	\$ 94,925,330	\$ 100,759,780
	80,086	81,958	83,389	84,959	86,381	88,521
	7,343	6,616	6,654	6,716	7,565	8,207
	1,698	1,589	1,446	1,363	1,263	1,109
	42,594	42,217	46,371	47,120	44,838	45,674
	6,578	6,576	7,900	9,007	7,998	9,147
	5,965	6,128	6,423	6,425	6,612	6,777
	2,549	2,401	2,482	2,451	2,478	2,534
	4,111	4,822	4,985	4,275	3,918	3,541
						2,354
	2,742	4,065	4,832	4,180	4,487	5,019
\$	572,840,000	\$ 293,721,005	\$ 288,530,410	\$ 344,415,586	\$ 292,534,095	\$ 324,040,061
	4,947	6,117	6,337	5,798	6,622	6,468
	5,751	6,028	6,586	7,236	7,215	6,765
	741	636	889	679	553	504
	190,314	196,322	199,274	203,782	203,760	67,327
	27	29	27	29	35	29
	5	15	22	15	14	11
	3,176	1,117	6,962	6,066	5,050	3,906
	146,082	536,345	605,621	661,629	623,686	741,256
	16,980	16,031	17,613	18,186	19,209	18,270
\$	32,486,521	\$ 33,960,426	\$ 34,028,184	\$ 35,292,583	\$ 34,856,026	\$ 36,304,266
	63	60	60	69	71	82
		1,221	1,534	1,549	1,421	1,430
\$	3,889,578	\$ 4,795,484	\$ 6,403,603	\$ 7,900,358	\$ 9,618,150	\$ 9,397,139
	1,429	5,969	15,354	19,983	20,952	19,808
	339,500	268,250	96,245	15,000	148,700	355,000
\$	1,262,000	\$ 342,700	\$ 627,600	\$ 671,000	\$ 750,000	\$ 608,000
	103,108	107,527	105,040	107,527	79,714	78,822
	1,148,268	1,205,846	1,151,555	1,152,871	984,377	852,572
			205,542	228,474	224,220	231,472
\$	2,435,869	\$ 3,698,360	\$ 3,086,177	\$ 6,509,541	\$ 4,273,516	\$ 4,846,529
			188,708	202,933	198,920	205,204
\$	1,122,315	\$ 6,394,889	\$ 12,794,085	\$ 3,389,534	\$ 1,080,889	\$ 2,541,128

Table 21
Clermont County, Ohio
 Capital Asset Statistics by Function
 Last Ten Years

	1996	1997	1998	1999	2000
General Government					
Legislative and Executive					
Number of Buildings ²	10	10	10	10	10
Square Footage Occupied ¹	87,050	87,050	87,050	87,050	87,050
Number of Vehicles ²	34	44	54	56	58
Judicial					
Number of Buildings ²	4	4	4	4	4
Square Footage Occupied ¹	63,730	100,252	100,252	100,252	100,252
Public Safety					
Building Inspection					
Square Footage Occupied ¹	14,518	14,518	14,518	14,518	14,518
Number of Vehicles ²	10	10	8	7	7
Sheriff					
Square Footage of Administration ¹	19,281	19,281	19,281	19,281	19,281
Square Footage of Jail ¹	105,000	105,000	105,000	105,000	105,000
Number of Vehicles ²	52	52	42	48	51
Communication Center					
Number of Radio Towers ²	0	0	0	0	0
Square Footage Occupied ¹	7,829	7,829	7,829	7,829	7,829
Public Works					
Miles of Streets ³	381	381	382	383	381
Number of Bridges ³	390	390	391	392	392
Health					
Number of Recycle Stations ⁴	8	8	8	8	10
Human Services					
Square Footage Occupied ¹	80,129	80,129	80,129	80,129	80,129
Number of Vehicles ²	15	17	14	16	19
Community Development					
Square Footage Occupied ¹	6,815	6,815	6,815	6,815	6,815
Transportation					
Number of Vehicles ^{2*}	0	25	26	28	24
Water					
Miles of Water Lines ⁵	590	604	616	631	645
Number of Water Treatment Plants ⁵	3	3	3	3	3
Sewer					
Miles of Sewer Lines ⁵	458	468	479	489	503
Number of Wastewater Treatment Plants ⁵	10	10	10	10	10

Source:

¹Arthur J. Gallagher & Co.

²Clermont County Auditor

³Clermont County Engineer

⁴Environmental Quality Office

⁵Clermont County Water and Sewer District

*Community Transportation became a department of the Board of County Commissioners in 1997.

2001	2002	2003	2004	2005
10	10	10	11	11
87,050	87,050	87,050	99,521	99,521
61	61	67	63	56
4	4	4	3	3
100,252	100,252	100,252	135,507	135,507
14,518	14,518	14,518	14,518	14,518
7	8	8	8	10
19,281	19,281	19,281	19,281	19,281
105,000	105,000	105,000	105,000	105,000
64	71	70	69	69
9	9	9	9	9
7,829	7,829	7,829	7,829	7,829
382	382	382	382	382
394	394	394	394	398
9	8	8	23	30
80,129	80,129	80,129	80,129	80,129
26	22	22	22	24
6,815	6,815	6,815	6,815	6,815
26	27	30	23	22
666	678	710	730	739
3	3	3	3	3
513	520	558	575	579
10	10	10	10	10



**Auditor of State
Betty Montgomery**

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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 13, 2006**