

LUCAS COUNTY, OHIO

Reports Issued Pursuant to the OMB Circular A-133
Year Ended December 31, 2006



Mary Taylor, CPA
Auditor of State

Board of Commissioners
Lucas County
One Government Center, Suite 600
Toledo, Ohio 43604

We have reviewed the *Report of Independent Auditors* of Lucas County, prepared by Ernst & Young LLP, for the audit period January 1, 2006 through December 31, 2006. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. Lucas County is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 12, 2007

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Lucas County, Ohio

Reports Issued Pursuant to the OMB Circular A-133

Year Ended December 31, 2006

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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Lucas County Board of Commissioners
Toledo, Ohio

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 Lucas County, Ohio (the County) as of and for the year ended December 31, 2006, and have issued our report thereon dated May 30, 2007. We did not audit the financial statements of the Toledo Mud Hens Baseball Club, Inc., Lott Industries Inc., and Preferred Properties Inc., which represent 100% of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component units were audited by other auditors in accordance with auditing standards generally accepted in the United States, but were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying schedule of findings and question costs to be a significant deficiency in internal control over financial reporting as item 2006-01.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiency described above is not a material weakness.

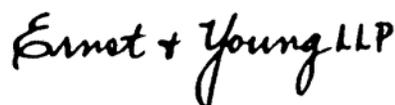
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and accordingly, we express no opinion on it.

We noted certain control deficiencies and other matters that we reported to management of the County in a separate letter dated May 30, 2007.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



May 30, 2007

Report of Independent Auditors on Compliance With Requirements Applicable to Each Major Program, on Internal Control Over Compliance, and the Schedule of Expenditures of Federal Awards in Accordance With OMB Circular A-133

The Lucas County Board of Commissioners
Toledo, Ohio

Compliance

We have audited the compliance of Lucas 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 are applicable to each of its major federal programs for the year ended December 31, 2006. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items Finding 2006-02, 2006-03, and 2006-04.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with the 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 have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal cover over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

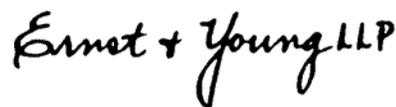
The County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

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 the County as of and for the year ended December 31, 2006, and have issued our reports thereon dated May 30, 2007, which expressed reliance on other auditors. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of

Expenditures of Federal Awards is presented for the purpose of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

 Ernst & Young LLP

June 22, 2007, except for the Schedule of Expenditures of Federal Awards dated May 30, 2007

Lucas County, Ohio

Schedule of Expenditures of Federal Awards

Year Ended December 31, 2006

Federal Grantor, Pass-Through Grantor, Recipient Department, Program Title	CFDA Number	Agency or Pass-Through From Number	Federal Expenditures
Food and Nutrition Service, Department of Agriculture			
Passed through Ohio Department of Education:			
Juvenile Court:			
Food Donation	10.550	IRN: 083097	\$ 7,316
Rural Utilities Service, Department of Agriculture			
Sanitary Engineer:			
Water and Waste System Grant	10.760	(1)	<u>1,241,966</u>
Total Department of Agriculture			<u>1,249,282</u>
Department of Housing and Urban Development (HUD)			
Direct Award:			
Mental Health and Recovery Services Board:			
Supportive Housing Program	14.235	OH16B10-1001	200,409
Passed through Ohio Department of Development:			
Board of County Commissioners:			
Community Development Block Grants/State's Program (Formula Grant 2001)	14.228	B-W-1-044-1	500,000
Community Development Block Grants/State's Program (Formula Grant 2003)	14.228	B-C-03-044-1	<u>17,483</u>
			517,483
HOME Investment Partnerships Program (Formula Grant 2004)	14.239	B-C-03-044-2	110,487
Community Development Block Grants/Small Cities Program:			
Revolving Loan Fund	14.219	(1)	<u>24,364</u>
Total Department of Housing and Urban Development			<u>852,743</u>
Department of Justice (DOJ)			
Direct Award:			
Sheriff:			
Bullet Proof Vest Partnership Grant Program	16.607	(1)	9,087
Public Safety Partnership and Community Policing Grants (2004 COPS)	16.710	2004CKWX0308	3,850
Public Safety Partnership and Community Policing Grants (2005 COPS)	16.710	2005CKWX0199	<u>493,322</u>
			497,172
Edward Byrne Memorial Justice Assistance Grant Program (2005 JAG)	16.738	(1)	<u>61,891</u>
			568,150
Juvenile Justice Center:			
Juvenile Justice and Delinquency Prevention	16.540	2004-JL-FX-0099	177,122
Drug Court Discretionary Grant Program	16.585	2004-DC-BX-0052	<u>87,832</u>
			<u>264,954</u>
			833,104
Passed through Ohio Department of Youth Services:			
Criminal Justice Coordinating Council:			
Juvenile Justice and Delinquency Prevention (JJDP – Block Title II)	16.540	04-JJ-1095	13,695
Juvenile Justice and Delinquency Prevention (JJDP – Block Title II)	16.540	05-JJ-1095	103,743
Juvenile Justice and Delinquency Prevention (JJDP – Block Title II)	16.540	06-JJ-1095	6,367
Juvenile Justice and Delinquency Prevention (JJDP – Administration)	16.540	05-JJ-ADM-0287	20,000
Juvenile Justice and Delinquency Prevention (JJDP – Administration)	16.540	06-JJ-ADM-0287	<u>3,321</u>
			147,126
Juvenile Accountability Incentive Block Grant (JABG)	16.523	04-JB-1000	9,350
Juvenile Accountability Incentive Block Grant (JABG)	16.523	05-JB-1000	<u>78,294</u>
			<u>87,644</u>
			234,770

Lucas County, Ohio

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor, Pass-Through Grantor, Recipient Department, Program Title	CFDA Number	Agency or Pass-Through From Number	Federal Expenditures
Department of Justice (continued)			
Passed through Office of Criminal Justice Services:			
Criminal Justice Coordinating Council:			
Edward Byrne Memorial Formula Grant Program	16.579	04-DG-1047	117,262
Grants Program (NORIS AFIS Implementation)	16.580	05-DD-BX-0024	197,329
Violence Against Women Formula Grant (VAWA – STOP)	16.588	04-WF-1048	50,989
Violence Against Women Formula Grant (VAWA – STOP)	16.588	05-WF-1058	203,468
Violence Against Women Formula Grant (VAWA – Administration)	16.588	04-WF-ADM-8826	99
Violence Against Women Formula Grant (VAWA – Administration)	16.588	05-WF-ADM-8826	13,769
			<u>268,325</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738	05-DJ-BX-1415	204,225
Edward Byrne Memorial Justice Assistance Grant Program (Collaboration Project)	16.738	06-DJ-BX-0734	204,295
Edward Byrne Memorial Justice Assistance Grant Program (Administration)	16.738	05-JG-ADM-7575	46,209
Edward Byrne Memorial Justice Assistance Grant Program (Administration)	16.738	06-JG-ADM-7575	2,110
			<u>456,839</u>
			1,039,755
Passed through Ohio Attorney General:			
Victim Witness Assistance Program:			
Crime Victim Assistance (VOCA V/W)	16.575	2005VAGENE119	269,073
Crime Victim Assistance Discretionary Grants (SVAA)	16.582	2005SAGENE119	112,165
Violence Against Women Act (VAWA)	16.588	2004-WF-VA3-8839	79,234
			<u>460,472</u>
Total United States Department of Justice			2,568,101
Employment and Training Administration, Department of Labor			
Passed through Ohio Job and Family Services (ODJFS):			
Workforce Development Agency:			
Workforce Investment Act:			
Adult:			
Program	17.258	(1)	2,097,807
Administration	17.258	(1)	153,294
Adult Total			<u>2,251,101</u>
Dislocated Worker:			
Program	17.260	(1)	921,367
Administration	17.260	(1)	67,305
Dislocated Worker Total			<u>988,672</u>
Youth:			
Program	17.259	(1)	1,563,552
Administration	17.259	(1)	114,251
Youth Total			<u>1,677,803</u>
Total Department of Labor			4,917,576
Federal Highway Administration, Department of Transportation			
Passed through Ohio Department of Transportation:			
County Engineer:			
Highway Planning and Construction (2004)	20.205	(1)	22,043
Highway Planning and Construction (2006)	20.205	(1)	528,110
Total Federal Highway Administration			<u>550,153</u>

Lucas County, Ohio

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor, Pass-Through Grantor, Recipient Department, Program Title	CFDA Number	Agency or Pass-Through From Number	Federal Expenditures
Department of Education			
Passed through Ohio Department of Mental Retardation and Development Disabilities:			
Board of Mental Retardation and Developmental Disabilities:			
Rehabilitation Services – Vocational Rehabilitation Grants to States (RSC)	84.126	(1)	35,109
Passed through Ohio Department of Alcohol and Drug Addiction Services (ODADAS):			
Mental Health and Recovery Services Board			
Safe and Drug-Free Schools and Communities – State Grants	84.186A	(1)	<u>108,199</u>
Total Department of Education			<u>143,308</u>
Department of Health and Human Services			
Direct:			
Juvenile Justice Center:			
Significance (SAMHSA – Drug Court)	93.243	TI14113-03-2	253,156
Passed through Ohio Department of Mental Retardation and Development Disabilities:			
Board of Mental Retardation and Developmental Disabilities:			
Social Services Block Grants – Title XX	93.667	2006	480,737
Medical Assistance Program – Title XIX CAFS and TCM	93.778	(1)	11,280,359
Medical Assistance Program – Title XIX Waiver Admin.	93.778	(1)	74,473
Medical Assistance Program – Title XIX PY Settlements	93.778	(1)	<u>5,179,489</u>
			<u>16,534,321</u>
			17,015,058
Passed through Ohio Department of Mental Health (ODMH):			
Mental Health and Recovery Services Board:			
Public Health and Social Services Emergency Fund	93.003	(1)	5,702
Projects for Assistance in Transition from Homelessness (PATH)			
	93.150	(1)	116,483
Promoting Safe and Stable Families (FAST Grant 2005)			
	93.556	(1)	238,583
Social Services Block Grants – Title XX	93.667	(1)	408,689
Medical Assistance Program – Title XIX	93.778	(1)	14,584,820
Block Grants for Community Mental Health Services	93.958	(1)	<u>540,419</u>
			15,894,696
Passed through Ohio Department of Alcohol and Drug Addiction Services (ODADAS):			
Mental Health and Recovery Services Board:			
Significance (PRNS)	93.243	(1)	121,650
Medical Assistance Program – Title XIX	93.778	(1)	2,407,375
Block Grants for Prevention and Treatment of Substance Abuse:			
Per Capita Treatment	93.959	(1)	869,400
Per Capita Prevention	93.959	(1)	633,941
UMADAOP	93.959	(1)	341,802
Womens Programs	93.959	(1)	596,120
TANF	93.959	(1)	65,414
Discretionary	93.959	(1)	50,000
TASC	93.959	(1)	403,070
Community Prevention	93.959	(1)	<u>29,719</u>
			<u>2,989,466</u>
			5,518,491

Lucas County, Ohio

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor, Pass-Through Grantor, Recipient Department, Program Title	CFDA Number	Agency or Pass-Through From Number	Federal Expenditures
Department of Health and Human Services (continued)			
Passed through Ohio Department of Job and Family Services:			
Child Support Enforcement Agency:			
CSEA Access Visitation Grant	93.597	346400806	7,106
County Children Services:			
Promoting Safe and Stable Families:			
ESAA Family Preservation	93.556	(1)	300,547
ESAA Family Reunification	93.556	(1)	183,270
			483,817
Child Welfare Services – State Grants:			
Title IV-B	93.645	(1)	513,651
Post Adoption Special Services (PASS)	93.645	(1)	140,541
			654,192
Child Abuse and Neglect State Grants	93.669	(1)	2,000
Chaffee Foster Care Independence Program	93.674	(1)	302,217
			1,442,226
Total Department of Health and Human Services			40,130,733
Department of Homeland Security (DHS)			
Passed through Ohio Emergency Management Agency:			
Emergency Management Agency:			
State Domestic Preparedness Equipment Support Program (FY04)	97.004	2004-GE-T4-0025	65,252
State Homeland Security Program (FY03 SHSP – Training)	97.073	2003-TE-TX-0199	3,101
State Homeland Security Program (FY05 SHSP – Equipment)	97.073	2005-GE-T5-0001	1,038,116
State Homeland Security Program (FY06 SHSP – Equipment)	97.073	2006-GE-T6-0051	424,414
State Homeland Security Program (FY04 SHSP – US&R)	97.073	2004-GE-T4-0025	165,304
State Homeland Security Program (FY05 SHSP – US&R)	97.073	2005-GE-T5-001	56,144
			1,687,079
Citizens Corp (2004 Program Grant)	97.053	2004-GC-T4-0025	22,838
Citizens Corp (2005 Program Grant)	97.053	2005-GC-T5-0001	2,970
			25,808
Total Homeland Security Cluster			1,778,139
Emergency Management Performance Grant (FY06 EMPG)	97.042	2006EME60042	100,828
Urban Areas Security Initiative (FY05 UASI)	97.008	2006-GE-T5-001	5,307,598
Urban Areas Security Initiative (FY06 UASI)	97.008	2006-TU-T6-0051	3,800,000
			9,107,598
Total Department of Homeland Security			10,986,565
Total Federal Awards			\$ 61,398,461

(1) No agency or pass-through from identifying number is available for this program.

See accompanying notes to schedule of expenditures of federal awards.

Lucas County, Ohio

Notes to the Schedule of Expenditures of Federal Awards

Year Ended December 31, 2006

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal grant activity of Lucas County and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Also certain information may not agree with other federal reports that the County submits to federal granting agencies because, among other reasons, the other federal award reports may be prepared for a different fiscal period or include cumulative data rather than data for the current year only.

2. Subrecipients

Of the federal expenditures presented in the Schedule, the County provided federal awards to subrecipients as follows:

Program Title	CFDA Number	Amount Provided to Subrecipient
Supportive Housing Program	14.235	\$ 200,409
Juvenile Accountability Incentive Block Grant (JABG)	16.523	87,644
Juvenile Justice Delinquency Prevention (JJDP – Title II)	16.540	123,805
Edward Byrne Memorial Formula Grant Program	16.579	117,262
Violence Against Women Formula Grant (VAWA – STOP)	16.588	254,457
Edward Byrne Memorial Justice Assistance Grant Program	16.738	408,520
Safe and Drug Free Schools and Communities State Grants	84.186A	108,199
Projects for Assistance in Transition from Homelessness	93.150	116,483
Substance Abuse and Mental Health Services – Projects of Regional and National Significance	93.243	121,650
Promoting Safe and Stable Families	93.556	238,583
Social Services Block Grants	93.667	408,689
Medicaid Cluster	93.778	16,992,195
Block Grants for Community Mental Health Services	93.958	540,419
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2,730,361

Lucas County, Ohio

Notes to the Schedule of Expenditures of Federal Awards (continued)

3. Loans Outstanding

The County had the following loan balances outstanding at December 31, 2006. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Outstanding</u>
Community Development Block Grant – Revolving Loan Fund	14.219	\$ 24,364

4. State Department of Job and Family Services Funding

The Schedule does not include certain U.S. Department of Health and Human Services and U.S. Department of Agriculture funding received from the Ohio Department of Job and Family Services (ODJFS) to Lucas County. Federal grants received from ODJFS are audited in conjunction with the State of Ohio audit.

Lucas County, Ohio

Schedule of Findings and Questioned Costs

Year Ended December 31, 2006

Part I – Summary of Auditor’s Results

Financial Statements Section

Type of auditor’s report issued:	<u>Unqualified</u>	
	Yes	No
Internal control over financial reporting:		
Material weakness(es) identified?		<u>X</u>
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>X</u>	
Noncompliance material to financial statements noted?		<u>X</u>

Federal Awards Section

	Yes	No
Internal control over major programs:		
Material weakness(es) identified?		<u>X</u>
Significant deficiency(ies) identified that are not considered to be material weaknesses?		<u>None reported</u>
Type of auditor’s report issued on compliance for major programs:	<u>Unqualified</u>	
	Yes	No
Any audit findings disclosed that are required to be reported in accordance with Circular A-133 Section .510(a)?	<u>X</u>	

Lucas County, Ohio

Schedule of Findings and Questioned Costs (continued)

Part I – Summary of Auditor’s Results (continued)

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse
93.667	Social Services Block Grants – Title XX
93.778	Medical Assistance Program – Title XIX
97.004, 97.053, and 97.073	Homeland Security Cluster
97.008	Urban Areas Security Initiative

Dollar threshold used to distinguish between Type A and Type B programs:

\$1,841,954
Yes No
X

Auditee qualified as low-risk auditee?

Part II – Financial Statement Findings Section

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements, and abuse related to the financial statements for which *Government Auditing Standards* require reporting in a Circular A-133 audit.

2006-01

Criteria or specific requirement:

The County should analyze the percentage used to calculate the allowance for doubtful accounts to ensure it based on historical data.

Lucas County, Ohio

Schedule of Findings and Questioned Costs (continued)

Part II – Financial Statement Findings Section (continued)

Condition:	The percentages used by the County to calculate the allowance for doubtful accounts are not based on actual historical information such as the aging of the accounts receivable and a historical look-back analysis of the amount that is actually collected on delinquent accounts by aging category.
Context:	Currently, the allowance for doubtful accounts are estimated by using a standard judgmental percentage applied to the County's real estate and personal property accounts receivable balance.
Effect:	The estimated allowance for doubtful accounts and tax revenue could be misstated.
Cause:	The County does not perform a hindsight review of actual delinquent taxes collected or an analysis of collectibility based on actual collections to date to more accurately estimate the allowance for doubtful accounts.
Recommendation:	We recommend that the percentages used be based on an aging of the accounts receivable, a historical look-back analysis of the amount that is actually collected on delinquent accounts by aging category or some other historical analysis of actual collections.
Views of responsible officials and planned corrective actions:	Management will continue to work towards ensuring that the percentages used to estimate the allowance for doubtful accounts are based on historical collections.

Lucas County, Ohio

Schedule of Findings and Questioned Costs (continued)

Part III – Federal Award Findings and Questioned Costs Section

This section identifies the audit findings required to be reported by Circular A-133 section .510(a) (for example, significant deficiencies, material weaknesses, and material instances of noncompliance, including questioned costs), as well as any abuse findings involving federal awards that are material to a major program. Where practical, findings should be organized by federal agency or pass-through entity.

Finding 2006-02

Federal program information:

Social Services Block Grant passed through the Board of Mental Retardation (CFDA #93.667).

Criteria or specific requirement (including statutory, regulatory, or other citation):

The Board of Mental Retardation is required to submit the Title XX Quarterly Summary reports by April 15th, July 15th, October 15th, and January 15th.

Condition:

The Board of Mental Retardation did not file the Title XX Quarterly Summary by the 15th of the month after the end of each quarter.

Questioned costs:

None.

Context:

The quarterly reports for the quarters ending March 30th, June 30th, and September 30th were filed on April 27th, August 2nd, and October 1st.

Effect:

The Board of Mental Retardation did not file three out of the four of the Title XX Quarterly Summary within the required time frame.

Cause:

The Board of Mental Retardation did not prepare and file three out of the four required Title XX Quarterly Summary within the timeline specified by Attachment C of the grant agreement.

Lucas County, Ohio

Schedule of Findings and Questioned Costs (continued)

Part III – Federal Award Findings and Questioned Costs Section (continued)

Recommendation: We recommend management institute procedures to ensure the Title XX Quarterly Summary is filed within the timelines specified by the grant agreement.

Views of responsible officials and planned corrective actions: Management recognizes the importance of meeting the filing requirement as stated in the grant agreements. Management will continue to work towards filing all reports within the required timeframe.

Finding 2006-03

Federal program information: Social Services Block Grant passed through the Board of Mental Retardation (CFDA #93.667).

Criteria or specific requirement (including statutory, regulatory, or other citation): The Title XX Application for Eligibility Determination/Re-determination is required for documentation of proper intake and determination of services and must be signed and dated by management at the time the determination of services is agreed upon per Attachment A1 of the Title XX Contract, Section GG.

Condition: The Board of Mental Retardation Determination/Re-determination letters were not signed and dated by the participant or management timely.

Questioned costs: None.

Lucas County, Ohio

Schedule of Findings and Questioned Costs (continued)

Part III – Federal Award Findings and Questioned Costs Section (continued)

Context:	The Determination/Re-determination letters were reviewed for completion and proper approval for 20 individuals who had services reported on the Quarterly Summary reports. One out of the 20 individuals tested did not have a signature of approval by management. Additionally, 16 out of 20 Determination/Re-determination letters were not signed and/or reviewed timely.
Effect:	The Board of Mental Retardation either did not approve or did not approve the Determination/Re-determination letters timely.
Cause:	The Board of Mental Retardation did not ensure that all participants had signed their Determination/Re-determination letter during the service plan meeting, and management had not reviewed the letters in a timely manner as specified in Attachment A1 of the grant agreement.
Recommendation:	We recommend management institute procedures to ensure the Title XX Application for Eligibility Determination/Redetermination form Summary is filed within the timelines specified by the grant agreement.
Views of responsible officials and planned corrective actions:	Management recognizes the importance of meeting the documentation requirements regarding client eligibility and determination as stated in the grant agreements. Management will continue to work towards ensuring that all documentation requirements are met.

Lucas County, Ohio

Schedule of Findings and Questioned Costs (continued)

Part III – Federal Award Findings and Questioned Costs Section (continued)

Finding 2006-04

Federal program information:

Homeland Security Cluster passed through the Emergency Management Agency (CFDA, #97.004 and #97.073) and Urban Areas Security Initiative passed through the Emergency Management Agency (CFDA #97.008).

Criteria or specific requirement (including statutory, regulatory, or other citation):

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Suspension and debarment certifications are required to be received or determinations are to be made for subawards and covered contracts before any procurement transactions take place.

Condition:

Before entering into contracts, the Emergency Management Agency did not review the Excluded Parties List System website to ensure the vendor was not a suspended or debarred party.

Questioned costs:

None.

Context:

Lucas County has contracts with five vendors in which supervision and debarment certifications are requested to be received or determinations are to be made.

Effect:

The Emergency Management Agency did not review to ensure the vendors in which the County entered into procurement transactions with were not a suspended or debarred party.

Lucas County, Ohio

Schedule of Findings and Questioned Costs (continued)

Part III – Federal Award Findings and Questioned Costs Section (continued)

Cause: The Emergency Management Agency did not review to ensure the vendors in which the County entered into procurement transactions with were not a suspended or debarred party according to the Federal agencies' codification of the government wide nonprocurement debarment and suspension common rule, Appendix II A-133.

Recommendation: We recommend management institute procedures to ensure all procurement transactions are reviewed to ensure the vendor is not a suspended or debarred party.

Views of responsible officials and planned corrective actions: Management recognizes the importance of meeting the suspension and debarment requirements regarding procurement transactions as stated in the Federal agencies' codification. Management will continue to work towards ensuring that this requirement is met and the appropriate documentation is maintained. All vendors in which the County entered into procurement transactions greater than the threshold were subsequently compared to the Excluded Parties List. None of these vendors were suspended or debarred.

Lucas County, Ohio

Summary Schedule of Prior Audit Findings

Year Ended December 31, 2006

Finding 2005-01

Federal program information:

Social Services Block Grant passed through the Board of Mental Retardation (CFDA #93.667).

Criteria or specific requirement (including statutory, regulatory, or other citation):

The Board of Mental Retardation is required to submit the Title XX Quarterly Summary by October 15th, January 15th, April 15th, and July 15th.

Condition:

The Board of Mental Retardation did not file the Title XX Quarterly Summary by the 15th of the month after the end of each quarter.

Context:

The quarterly reports for the quarters ending September 30th and December 31st did not include the transmittal date, while the remaining two reports for the quarters ending April 30th and June 30th were filed on May 12, 2005 and August of 2005.

Effect:

The Board of Mental Retardation did not file the Title XX Quarterly Summary within the required time frame.

Corrective action:

As no corrective action has been taken by management, the finding has been re-issued as 06-01.

Lucas County, Ohio

Summary Schedule of Prior Audit Findings (continued)

Finding 2005-02

Federal program information:

Social Services Block Grant passed through the Board of Mental Retardation (CFDA #93.667).

Criteria or specific requirement (including statutory, regulatory, or other citation):

The Title XX Application for Eligibility Determination/Redetermination is required for documentation of proper intake and determination of services and must be signed and dated by management at the time the determination of services is agreed upon.

Condition:

The Board of Mental Retardation did not have the Determination/Redetermination letters on file for one participant, and these letters were not approved timely.

Context:

The Determination/Redetermination letters were reviewed for completion and proper approval for 62 individuals who had services reported on the Quarterly Summary reports. It was noted that 1 out of the 62 individuals tested did not have a letter on file and 27 out of the 62 letters were not approved timely.

Effect:

The Board of Mental Retardation did not approve the Determination/Redetermination letters timely.

Corrective action:

As no corrective action has been taken by management, the finding has been re-issued as 06-02.

Lucas County, Ohio

Summary Schedule of Prior Audit Findings (continued)

Finding 2005-03

Federal program information:

Homeland Security Cluster passed through the Emergency Management Agency (CFDA #97.004 and #97.073).

Criteria or specific requirement (including statutory, regulatory, or other citation):

Non-Federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. Suspension and debarment certifications are required to be received or determinations are to be made for subawards and covered contracts before any procurement transactions take place.

Condition:

Before entering into contracts, the Emergency Management Agency did not review the Excluded Parties List System website to ensure the vendor was not a suspended or debarred party.

Context:

Lucas County has contracts with eight vendors in which supervision and debarment certifications are requested to be received or determinations are to be made.

Effect:

The Emergency Management Agency did not review to ensure vendors the County entered into procurement transactions with were not a suspended or debarred party.

Corrective action:

As no corrective action has been taken by management, the finding has been re-issued as 06-03.

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**



LUCAS COUNTY, OHIO

For Fiscal Year Ended December 31, 2006

Lucas County, Ohio
Comprehensive
Annual Financial Report
for the Year Ended December 31, 2006



Anita L. Lopez,
Lucas County Auditor

Prepared by the Lucas County Auditor's Office

Scott S. Smith, C.P.A.
Chief Deputy Auditor

Peter M. Rancatore, Jr.
Chief Accountant

David J. Polek
Staff Accountant

Karla Hayes
Accounting Specialist

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**LUCAS COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR FISCAL YEAR ENDED DECEMBER 31, 2006**

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Anita Lopez

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May 30, 2007

Lucas County Board of Commissioners and Citizens of Lucas County,

As Auditor of Lucas County, I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2006.

This report contains basic financial statements, management's discussion and analysis, supplemental financial statements, and other financial and statistical information which provide a complete and full disclosure of all material financial aspects of Lucas County. This CAFR conforms to generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB).

Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation (including all disclosures) lies with the management of the County, and in particular the office of the Lucas County Auditor. In fulfilling this responsibility, the Lucas County Auditor's Office has prepared the accompanying financial statements, schedules and tables. We believe this data fairly reflects the financial position of the County and the results of its operations.

The CAFR is presented in three (3) sections: the **Introductory Section**, the **Financial Section** and the **Statistical Section**. The *Introductory Section* contains a table of contents, this letter of transmittal, a list of elected officials, an organization chart, and a copy of the Certificate of Achievement for Excellence in Financial Reporting awarded for the 2005 Lucas County CAFR. The *Financial Section* contains our independent auditor's, Ernst & Young LLP, report of independent auditors, Management's Discussion and Analysis, the basic financial statements, and relevant supplemental financial statements and schedules for 2006. The *Statistical Section* presents historical, financial, analytical, economic and demographic information that may be useful for further analysis and comparisons.

This transmittal letter should be read in conjunction with the Management's Discussion and Analysis, which provides a narrative introduction, overview, and analysis of the basic financial statements.

THE COUNTY

The County was formed by an Act of the Ohio General Assembly on June 20, 1835, in honor of Robert Lucas, then Governor of Ohio. The elected three-member Board of County Commissioners function as both 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 seven elected administrative officials, each of whom operate independently as set forth by Ohio law. These officials are: 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 county-wide basis to oversee the County's judicial system: Common Pleas Court Judges, Domestic Relations Court Judges, Juvenile Court Judges, Probate Court Judge, and Court of Appeals Judges. Judges are elected to six-year terms.

REPORTING ENTITY AND SERVICES

In conformity with *Governmental Accounting Standards Board Statement No. 14*, all governmental departments, agencies, institutions, commissions, public authorities, and other governmental organizations, for which the County has significant financial accountability, are included in this CAFR for financial reporting purposes. Financial accountability is determined by the County's ability to appoint a voting majority of the Board or financial interdependence.

The County provides general governmental services to its citizens which include: public assistance, health assistance, community related services, civil and criminal justice systems, road and bridge maintenance, sewer and waterline construction and maintenance, and other general legislative and administrative support services. The County also operates and maintains the water supply and wastewater treatment systems. A further discussion of the reporting entity and its services may be found in **Note A** of the *Notes to the Financial Statements*.

ECONOMIC CONDITION AND OUTLOOK

The County is in the center of a trade area comprised of 14 counties in northwestern Ohio and southeastern Michigan with a total population of approximately 1.25 million people. The County lies in the central portion of a triangle formed by the cities of Chicago, Detroit and Cleveland. The County is in the Toledo Metropolitan Statistical Area (MSA) and approximately one-third of the population of the United States resides within 500 miles of the County.

The County's economy, historically associated with the glass and automotive industries, has become increasingly diversified. While the County remains the home of four of the nation's largest glass companies, Daimler Chrysler AG, General Motors Corporation and Dana Corporation also continue to be major private employers in the County. Additionally, private service industries and governmental employers have provided more than three-fourths of the total employment in the Toledo MSA and approximately 70% of total payrolls in the County in recent years.

Two area corporations, Dana and Owens-Corning, made the 2006 Fortune 500, while at least twenty other Fortune 500 companies have locations within the County. Additionally, HCR Manor Care not only ranked near the top 500, but was also listed as one of "America's Most Admired Companies" by *Fortune*. Situated between Chicago and the eastern seaboard, the County also has a significant oil refining presence, with both BP Oil Co. and Sun Refining and Marketing Company, Inc. having facilities in the Lucas County City of Oregon, Ohio.

Daimler Chrysler AG (Chrysler), the largest manufacturing employer in the County, completed a \$1.2 billion investment to construct a 1.1 million square-foot Jeep assembly plant in 2001. The project retained nearly 4,900 jobs, and has prompted additional related economic development activity in the County. Chrysler has also constructed a \$30 million combination cross-dock and parts sequencing facility in the County to serve its plants in the Midwest. In 2004, Chrysler entered into agreements with three suppliers, Kuka Flexible Production Systems, Hyundai Mobis and Hayden International Group Inc., for the construction of a \$900 million, 3 million square foot manufacturing complex in North Toledo. The suppliers are expected to provide one-third of the cost of the complex in return for receiving 14-year supply contracts from Chrysler. Additionally, the north Toledo plant began production of two redesigned Jeep vehicles in the summer of 2006.

In 2006, General Motors Corp. (GM) announced a \$540 million investment to upgrade equipment and build a 400,000-square-foot addition to the existing 1.8 million square-foot Alexis Road plant in Toledo. The production of a new rear-wheel drive six-speed transmission from this

investment is expected to begin in 2008. Also in 2007, GM announced an additional \$332 million investment at the same Alexis Road plant for tooling and other costs to build a new front-wheel drive six-speed transmission that is expected to go into production in 2010.

Meanwhile, the County's infrastructure continues to be upgraded. The City of Toledo currently has a \$40 million project for the improvement of its Martin Luther King Bridge, while the State of Ohio is nearing completion of a new bridge for the Interstate 280 crossing of the Maumee River. The Maumee River crossing, a six-lane, cable-stayed structure with a signature design, will be located near Downtown Toledo, with total construction costs of approximately \$220 million. Additionally, the Lucas County Port Authority has partnered with the City of Toledo to assemble, remediate, and otherwise develop a former 125-acre industrial site on the riverfront. This "Marina District" will serve a variety of uses, having restaurants, entertainment venues, a 180-slip municipal marina, a passenger terminal for Great Lakes cruise ships, park and open spaces, retail establishments, and single and multi-family residential buildings.

Finally, the Toledo Public School District and the Ohio School Facilities Commission have engaged in new construction and improvement projects totaling \$800 million over 10 years. In order to complement this project, Toledo Public Schools are also engaging in their own project to construct, renovate, remodel, expand, and furnish equipment for auditoriums, stadiums, and other facilities not covered under their agreement with the State.

These projects, coupled with continued development in the County's major initiatives, provide a basis from which to build a union of cooperation in regional development that is moving Lucas County's economy aggressively into the 21st century.

MAJOR COUNTY INITIATIVES

Lucas County continues to provide a variety of services required to meet the needs of its citizens in the most cost-effective and efficient manner possible. We look forward to the following significant activities made possible by the citizens of Lucas County and its government:

- Lucas County's signature project, a multi-purpose Arena in downtown Toledo, has moved from the planning phase into significant pre-construction. The project is modeled after Fifth Third Field, the highly successful minor league ballpark located within one block of the proposed arena site. By working with the same team that designed and built Fifth Third Field, Lucas County will acquire a clean footprint by late summer this year, with groundbreaking on the new facility to start in early

fall. The arena is projected to cost \$85 million dollars without reliance on Lucas County general fund dollars.

- Lucas County is partnering with the Toledo Mud Hens organization to secure sports tenants for the new multi-purpose arena. The Mud Hens recently announced the acquisition of an ECHL hockey team and are currently in negotiations with to bring an Arena Football team to the new arena as well. The County is also contracting with Sports Management Group (SMG) to operate both the arena and the convention center to provide year-round family entertainment and conventions for Northwest Ohio.
- In 2007, Lucas County Commissioners in conjunction with Children Services, Child Support Enforcement and Job and Family Services will complete an analysis of the ways that those agencies work together in order to increase service delivery and reduce cost to the taxpayers.
- In an effort to return cost savings to the taxpayers, Lucas County officials, including the Commissioners, Prosecutor, Clerk of Courts, Sheriff and Common Pleas Court have identified a number of opportunities for cost efficiency and better prisoner processing. By looking holistically at the criminal justice system, Lucas County hopes to eliminate up to 20,000 bed nights annually in the Lucas County jail while reducing the largest expenditure in Lucas County's general fund.
- Lucas County Juvenile Court is working cooperatively with the Commissioners to take steps to reinvent its public defender program, bringing attorneys on staff and reducing outside counsel. With more efficient control on the assignment of counsel and disposition of cases, Lucas County expects annual savings to taxpayers of at least one million dollars.
- With its focus on Business Services, the Lucas County Workforce Development Agency continues to bring more employers to the Source Northwest Ohio and to expand the number of career opportunities for job seekers. The Source earned the distinction as the best one-stop job center in the State of Ohio and assisted more job seekers in finding employment than any other county in the State. Over 5,000 job placements have occurred since The Source opened two years ago. Workforce Development will continue its outreach to all parts of the community with a Summer Teen Employment Program (STEP) targeting young adults.
- Under the leadership of the Clerk of Courts and Commissioners, Lucas County continues to develop best practices for document imaging, reducing the backlog of paper documents and eventually moving away from paper storage, with 2006 being the first year in Lucas County history where we imaged more documents than we created. Lucas County has also partnered with our local MRDD Board to create an innovative program that gives developmentally disabled residents work opportunities within the imaging process.
- Lucas County will soon begin construction on a Central Power Plant that has the opportunity to save taxpayer dollars on energy costs for Lucas County buildings. The County has contracted with a local engineering firm and a national energy solution company to design, build and operate a Central Power Plant for its downtown campus. The Central Power Plant will provide heating and chilling to all buildings from a centralized facility and could enable the County to provide long-term savings to taxpayers from significantly reduced energy costs.
- Lucas County and its political sub divisions continue work on a new \$31 million 800 MHz countywide public safety radio system. The new system will provide functional and multi-agency interoperable communication capabilities for Lucas County's public safety responders while supporting adjacent jurisdictions' mutual aid communications. Lucas County also continues to work with federal legislators and the Department of Homeland Security for funding to expand the system to include jurisdictions outside the immediate Lucas County area.
- The Commissioners, Auditor and Treasurer will continue collaborating on a massive upgrade of the county's Enterprise Resource Planning systems. The County recently implemented upgrades to the Human Resources/Payroll system while continuing to develop the upgrade of the General Ledger accounting and Procurement/Accounts Payable system. This upgrade will place the County in position to take full advantage of the management tools available for years to come.
- Recognizing the national foreclosure crisis, the Commissioners recently created the Lucas County Foreclosure Prevention Task Force, bringing social service agencies, government officials, non-profit providers and commercial bankers to the table to coordinate a foreclosure response. The Task Force has not only created

a resource portfolio for homeowners facing foreclosure, but also continues to develop working relationships with other agencies and organizations that can produce other pro-active steps to address this serious problem.

- Finally, Lucas County has begun to take a hard look at itself with the creation of a 21st Century Government Committee. Too often, outdated forms of government and duplicative and inefficient services have stood in the way of true progress in our communities. The Commissioners have identified a diverse cross-section of the community and charged them with tackling difficult questions and proposing solutions toward a stronger, more regional government.

ACCOUNTING SYSTEM

The County's day-to-day accounting records are maintained on a basis other than GAAP. For financial reporting purposes, the accounting records for all Governmental and Fiduciary Funds are converted to the modified accrual basis, whereby revenues are recognized when measurable and available within the business cycle (within 60 days after year end) and expenditures are recognized when the related fund liability is incurred. The accounting records for the Proprietary Funds and Government-Wide Financial Statement are converted to the accrual basis, whereby revenues are recognized when measurable and earned, and expenses are recognized as incurred.

A further discussion of the three methods of accounting (non-GAAP, modified accrual and accrual) and a reconciliation of budget basis to GAAP basis of accounting may be found in **Notes B** and **L**, respectively, of the *Notes to the Financial Statements*.

BUDGETARY CONTROLS

Under Ohio law, the Lucas County Board of Commissioners must adopt an appropriations budget by January 1 of a given year, or adopt a temporary appropriation measure with final passage of a permanent budget by April 1st. No expenditure can be made from any budgetary account without the Certificate of the County Auditor certifying that funds are available or in the process of collection. When a purchase order is issued or a contract is entered into by any County department or agency, the County Auditor encumbers the necessary funds to pay for the expenditure. Contracts or purchase orders are rejected and are invalid under Ohio law if sufficient funds are not available to permit the County Auditor to certify the transaction. A further discussion of the budgetary accounting system and its controls may be found in **Note B** of the *Notes to the Financial Statements*.

The County Auditor issues a monthly budget report to the Board of Commissioners and to all departments and agencies showing the monthly and year-to-date expenditures, encumbrances, and cash balances, as well as the unencumbered balance by fund and account. On a quarterly basis, these reports are made public and are available to the news media.

INTERNAL CONTROL

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

As a recipient of federal and state financial assistance, the County is responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management.

CASH MANAGEMENT

The County Treasurer utilizes cash management and forecasting techniques and procedures to provide for efficient and optimum use of the County's cash resources as permitted by applicable State of Ohio law.

Among the County's many investments, the County participates in the State Treasury Asset Reserve of Ohio (STAR OHIO) Investment pool. The statewide investment pool is administered by the Treasurer of 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. The pool of securities so pledged must have a current market value at least equal to 105% of all public monies on deposit with the depository including the amount covered by federal insurance.

With the exception of Water, Sewer, and certain Fiduciary Funds, cash resources of all funds are pooled for investment purposes. Currently, interest income derived from these pooled resources is credited to the County's General Fund, with the exception of the equitable share distributed to the Self-Funded Health Insurance fund and the Motor Vehicle and Gas Tax fund.

INVESTMENT HIGHLIGHTS

(Amounts in 000's)

Investments and Earnings	<u>2006</u>	<u>2005</u>
Total investments and		
Deposits at year-end	\$ 255,322	\$ 247,042
Interest revenue	11,576	7,061

RISK MANAGEMENT

The County Risk Manager monitors and directs the entire insurance program of Lucas County. The County is self-insured for a portion of its general business insurance and insurance coverage after \$500 thousand per occurrence.

The County participates in the State of Ohio Retrospective Rated Workers' Compensation program with a maximum liability of \$300 thousand per accident.

Both programs, along with the self-funded health program for dental benefits, provide savings with proper risk management and loss control.

INDEPENDENT AUDIT

Included in this report on pages 14 and 15 is an unqualified report of independent auditors rendered by Ernst & Young LLP with respect to the basic financial statements of the County as of and for the year ended December 31, 2006. As part of the annual preparation of a CAFR, the County subjects the basic financial statements to an annual independent audit. This annual audit arrangement serves to strengthen the County's accounting, budgetary and internal control of financial and operational systems.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The County prepared its first CAFR in 1984 in accordance with the program guidelines for the Certificate of Achievement for Excellence in Financial Reporting (Certificate) awarded by the Government Finance Officers Association of the United States and Canada (GFOA). Each annual report must also satisfy generally accepted accounting principles and disclose applicable legal compliance requirements. The County was awarded the Certificate for the fiscal years ended December 31, 1984 - 2005.

The Certificate is valid for a period of one year. We believe that our current report continues to conform to the guidelines and requirements of the program and will be submitted to the GFOA to determine its eligibility for another Certificate.

ACKNOWLEDGMENTS

Lucas County is proud to have been one of the first counties in Ohio, and one of the relatively few nationwide, to prepare a financial report in conformity with GAAP and the precise guidelines recommended by the GFOA. We are also proud to be one of the first counties to adopt the fixed asset reporting model required by GASB No. 34. This report is the result of the continued cooperation, and combined services of the elected officials and management of Lucas County.

I would like to thank County Administrator Mike Beazley and Public Affairs Liaison David Mann for their insight into the County Initiatives portion of this transmittal. I would especially like to recognize the following members of my staff, all of whom exercised exceptional proficiency and dedication throughout this report's publication.

Accounting

Scott S. Smith, Peter Rancatore, Dave Polek, and Karla Hayes

Accounts Payable/Receivable

Tracy Berry, Pat Heffern, Rita Hogan-Faber, Sue Nofziger, and Colleen Smith

Executive Assistant

James Molnar

Payroll

Joanne Melamed

Photography

Karla Hayes, Matthew Rogacki

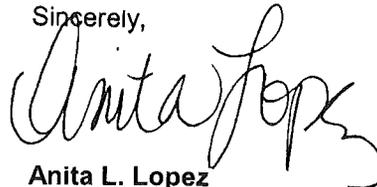
Public Information Officer

Mely Arribas

Special Assessments

Gary Langenderfer

Sincerely,



Anita L. Lopez
Lucas County Auditor
Lucas County, Ohio

**LUCAS COUNTY, OHIO
ELECTED OFFICIALS
at DECEMBER 31, 2006**

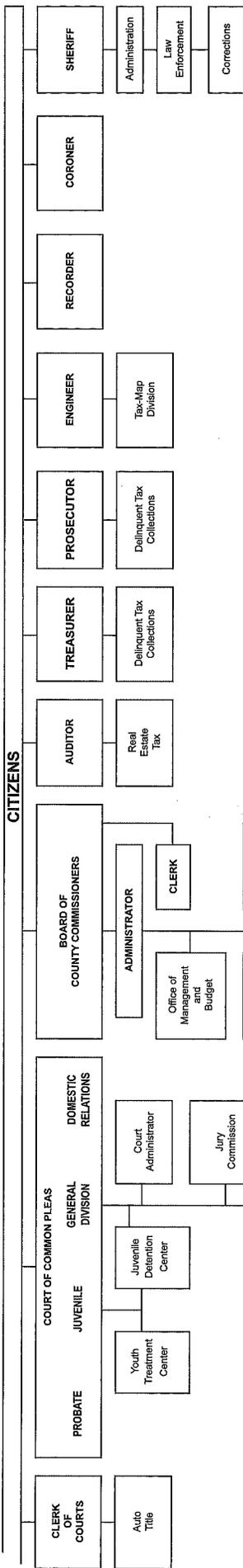
Administrators

<i>Larry A. Kaczala</i>	Auditor
<i>Bernie Quilter</i>	Clerk of Courts
<i>James R. Patrick</i>	Coroner
<i>Pete Gerken</i>	Commissioner
<i>Maggie Thurber</i>	Commissioner
<i>Tina Skeldon Wozniak</i>	Commissioner (president)
<i>Keith Earley</i>	County Engineer
<i>Julia R. Bates</i>	Prosecutor
<i>Anita Lopez</i>	Recorder
<i>James A. Telb</i>	Sheriff
<i>Wade Kapszukiewicz</i>	Treasurer

Judges

<i>James D. Bates</i>	Common Pleas Court
<i>Gary Cook</i>	Common Pleas Court
<i>Denise Dartt</i>	Common Pleas Court
<i>Charles J. Doneghy</i>	Common Pleas Court
<i>Thomas Osowik</i>	Common Pleas Court
<i>Ruth Ann Franks</i>	Common Pleas Court
<i>James D. Jensen</i>	Common Pleas Court
<i>Frederick H. McDonald</i>	Common Pleas Court
<i>Jack Zouhary</i>	Common Pleas Court
<i>Charles S. Wittenberg</i>	Common Pleas Court
<i>David E. Lewandowski</i>	Domestic Relations Court
<i>Norman G. Zimmelman</i>	Domestic Relations Court
<i>James A. Ray</i>	Juvenile Court
<i>Denise Cubbon</i>	Juvenile Court
<i>Jack R. Puffenberger</i>	Probate Court
<i>Peter M. Handwork</i>	Sixth District Court of Appeals
<i>William Skow</i>	Sixth District Court of Appeals
<i>Dennis Parish</i>	Sixth District Court of Appeals
<i>Mark Pietrykowski</i>	Sixth District Court of Appeals
<i>Arlene Singer</i>	Sixth District Court of Appeals

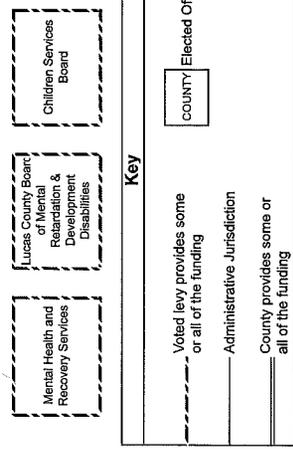
COUNTY ORGANIZATION LUCAS COUNTY



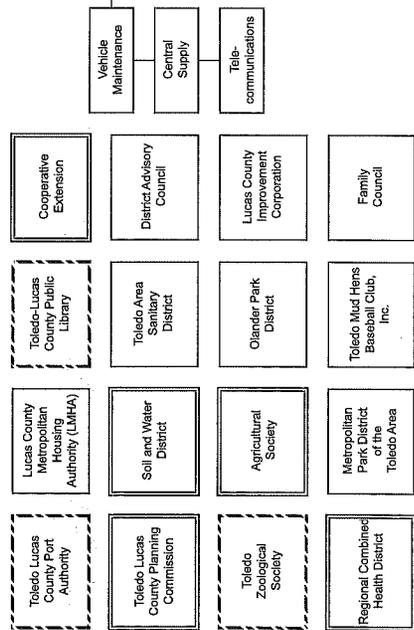
COUNTY COMMISSIONS

Public Assistance Examining Committee	County Budget Commission	Board of Revision	Automatic Data Processing Board	County Record Commission	Veteran Service Commission	Lucas County Board of Elections
Includes: Auditor, Treasurer, Prosecutor, President of Board of Commissioners, Juvenile Court Judge	Includes: Auditor, Treasurer, Prosecutor, President of Board of Commissioners	Includes: Auditor, Treasurer, President of Board of Commissioners	Includes: Auditor, Treasurer, Recorder, Clerk of Courts, Board of Commissioners, Common Pleas (2) Bd. Of Elections, Domestic Relations Court	Includes: Auditor, Recorder, Prosecutor, Clerk of Courts, President of Board of Commissioners	Appointed by: A Judge of the Common Pleas Court	Appointed by: Democratic Party, Republican Party, Secretary of State

COUNTY BOARDS



AFFILIATED AGENCIES



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Lucas County
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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.



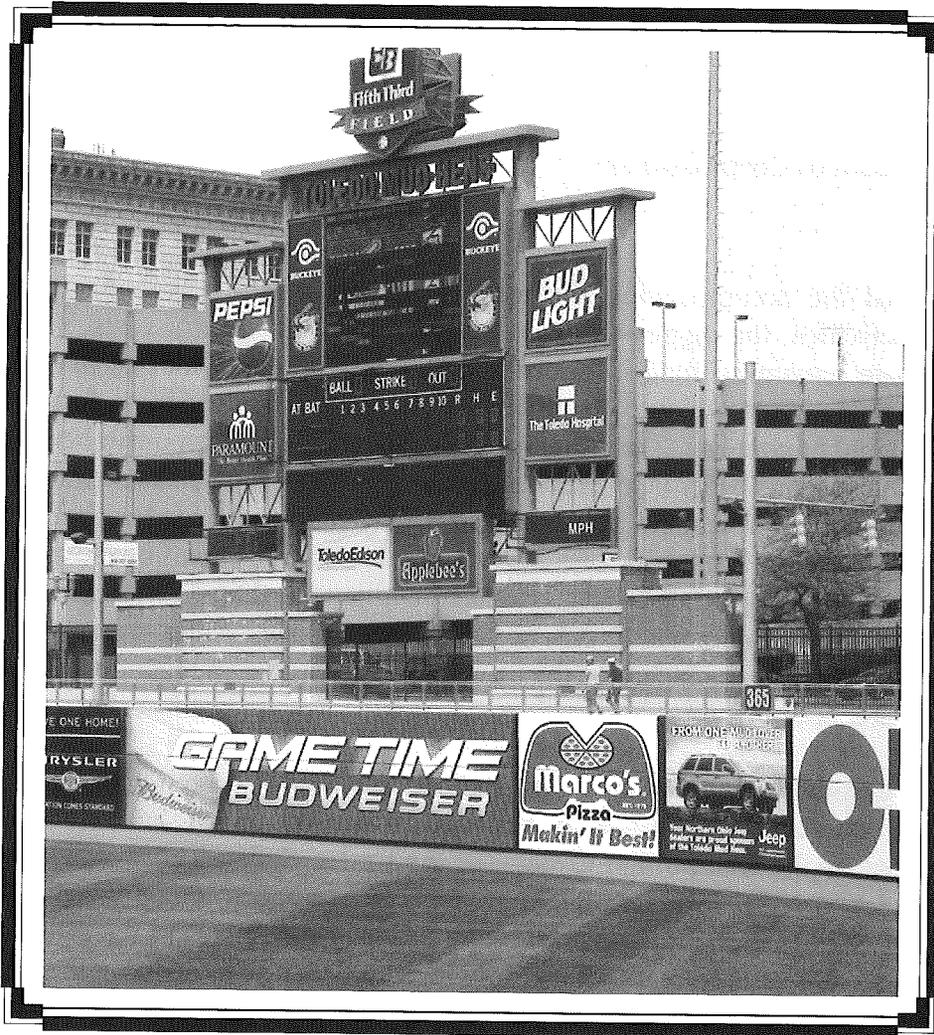
A handwritten signature in black ink, appearing to read "Thomas J. Moran".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

Financial Section



The Toledo Mud Hens at Fifth Third Field

The Toledo Mud Hens and Fifth Third Field in Downtown Toledo are crown jewels of northwest Ohio. The stadium, built in 2002, was named the best minor league ballpark in America by Newsweek. Fifth Third Field is in virtually the same location, between Washington and Monroe Streets, as the first professional baseball stadium built in the City in 1883.

The Mud Hens have won back to back Governors' Cups, winning the International League Championship in both 2005 and 2006. The Mud Hens are the Triple A affiliate of the 2006 AL pennant winning Detroit Tigers.

Report of Independent Auditors

Lucas County Board of Commissioners
Toledo, Ohio

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 Lucas County, Ohio, as of and for the year ended December 31, 2006, 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 Toledo Mud Hens Baseball Club, Inc., Lott Industries, Inc., Preferred Properties, Inc., which represent 100 percent of the assets, net assets, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based on the reports of the other auditors.

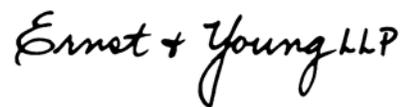
We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the discretely presented component units were audited by other auditors in accordance with auditing standards generally accepted in the United States, but were not audited in accordance with *Government Auditing Standards*. We were not engaged to perform an audit of the County's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of 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 Lucas County, Ohio as of December 31, 2006, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Job and Family Services, Board of Mental Health and Recovery, Board of Mental Retardation, and Child Services Board Funds for the year then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 2007 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 16 through 22 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



May 30, 2007

LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006
(Amounts in 000's)

The discussion and analysis of Lucas County's financial performance provides an overall review of the County's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to review 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 2006 are as follows:

- The assets of the County exceeded its liabilities at the close of the year ended December 31, 2006, by \$604,927 (net assets). This represents an increase of \$22,406, which is 3.8% of the net assets at the beginning of the year 2006. Of this amount, \$354,831 may be used to meet the County's ongoing obligations to citizens and creditors.
- At the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$170,280, an increase of \$4,656 from the prior year. Of this amount, \$136,652 is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current year, unreserved fund balance for the general fund was \$40,597, which represents an increase of 9.7% from the prior year, and 35% of the total general fund expenditures.
- Lucas County's total debt decreased by \$3,454 during the current year. This was due to debt retirement exceeding new issues for the year.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to those statements. These statements are organized to facilitate the understanding of Lucas County's financial position as a whole. The statements also provide an increasingly detailed review of specific financial conditions.

The County's basic financial statements comprise three components: 1) Countywide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements themselves, this report also contains statistical information that may assist in evaluating the County's demographics and potential economic activity.

Countywide Financial Statements

The Countywide financial statements are designed to provide a broad overview of the County's finances in a manner similar to a private-sector business.

Statement of Net Assets and the Statement of Activities

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The Statement of Activities presents information indicating the annual change in net assets. These statements include assets and liabilities using the accrual basis of accounting, similar to the accounting used by private sector companies, taking into account all current year revenues and expenses, regardless of when 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 indicates whether the financial position of the County has improved or diminished for the County as a whole. However, in evaluating the overall position of the County, non-financial information, such as changes in the County's tax base and the condition of County capital assets, should also be evaluated.

In the Statement of Net Assets and the Statement of Activities, the County is divided into three activity types:

- ◆ 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, Sewer and Wastewater Treatment funds.
- ◆ Business-Type Activities - These services charge fees based upon the amount of usage. The County charges fees to recoup the cost of the entire operation of the Water and Sewer and Wastewater Treatment Plants as well as all capital expenses associated with these facilities.
- ◆ Component Units - The County includes financial data of Lott Industries, Inc., Preferred Properties, Inc., and the Toledo Mud Hens Baseball Club, Inc. These component units are described in Note A of the Notes to the Financial Statements. The component units are separate entities from the County and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

The Countywide Financial Statements are located on pages 23 - 25 of this report.

LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006
(Amounts in 000's)

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 restriction on the use of monies, the County has established many funds that 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 Lucas County, our major funds are the General, Children Services Board, Board of Mental Retardation (BMR), Job and Family Services, Board of Mental Health and Recovery (MHR), Capital Improvements, Debt Service, Water Supply System, Sewer System, and Wastewater Treatment.

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 available resources, as well as on balances of available resources at the end of the fiscal year. Such information may be useful in evaluating the near-term financing requirements.

Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financial 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 the comparison between governmental funds and governmental activities.

The County maintains several 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 the non-major governmental fund activity is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements are located on pages 26 - 37 of this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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 and Wastewater Treatment 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 programs, vehicle maintenance, telephone system, central supplies, and worker's compensation programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included with governmental activities in the countywide financial statements. The proprietary fund financial statements are located on pages 38 - 45 of this report.

Fiduciary Funds: 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 their resources are not available to support the County's programs. The accounting used for fiduciary funds is similar to that of the proprietary funds. The fiduciary fund financial statement is located on page 46 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 countywide and fund financial statements. The notes to the financial statements are located on pages 50 - 78 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, located on pages 81 - 174 of this report.

**LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006
(Amounts in 000's)**

Countywide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a County's financial position. In the case of the County, assets exceeded liabilities by \$604,927 (\$502,549 in governmental activities and \$102,378 in business type activities) as of December 31, 2006, representing increases of \$21,950 (4.6%) for governmental activities and \$456 (0.4%) for business type activities. By far, the largest portion of the County's net assets (38.9%) reflects its investment in capital assets (for

land, buildings, machinery and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Table 1
Net Assets**

	Governmental Activities		Business-Type Activities		Totals	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Assets						
Current and other assets	\$395,505	\$371,057	\$23,225	\$22,561	\$418,730	\$393,618
Capital assets, net	<u>248,405</u>	<u>252,056</u>	<u>111,761</u>	<u>112,523</u>	<u>360,166</u>	<u>364,579</u>
Total Assets	<u>643,910</u>	<u>623,113</u>	<u>134,986</u>	<u>135,084</u>	<u>778,896</u>	<u>758,197</u>
Liabilities						
Current and other liabilities	(46,517)	(43,617)	(1,116)	(1,027)	(47,633)	(44,644)
Long-term liabilities due within one year	(13,411)	(13,515)	(963)	(893)	(14,374)	(14,408)
Long-term liabilities due in more than one year	<u>(81,433)</u>	<u>(85,382)</u>	<u>(30,529)</u>	<u>(31,242)</u>	<u>(111,962)</u>	<u>(116,624)</u>
Total liabilities	<u>(141,361)</u>	<u>(142,514)</u>	<u>(32,608)</u>	<u>(33,162)</u>	<u>(173,969)</u>	<u>(175,676)</u>
Net Assets						
Invested in capital assets, net of debt	154,881	163,910	80,269	80,389	235,150	244,299
Restricted:						
Capital projects	9,806	10,345			9,806	10,345
Debt service	5,140	7,682			5,140	7,682
Unrestricted	<u>332,722</u>	<u>298,662</u>	<u>22,109</u>	<u>21,533</u>	<u>354,831</u>	<u>320,195</u>
Total Net Assets	<u>\$502,549</u>	<u>\$480,599</u>	<u>\$102,378</u>	<u>\$101,922</u>	<u>\$604,927</u>	<u>\$582,521</u>

An additional portion of the County's net assets (2.5%) represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets (\$354,831) may be used to meet the County's ongoing obligations to citizens and creditors.

As of December 31, 2006, the County maintained positive balances in both the governmental and business - type activities of \$502,549 and \$102,378, respectively.

Table 2 provides a summary of the changes in net assets for the year ended December 31, 2006.

Governmental Activities

Human Services accounted for \$132,907 of the \$475,028 total expenses for governmental activities, or 28.0% of total expenses. This is an increase of 11.4% over last year. The primary reason for the increase is due to

LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006
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additional services provided by Jobs and Family Services department and the Children Services Board. The next largest program is Health, accounting for \$113,676, which represents 23.9% of total governmental expenses. This is an increase of 7.1% from last year. Health expenses increased primarily as a result of increased spending during the last half of the year by BMR. Although spending increased, revenues for BMR also increased much more dramatically during the first half of their fiscal year, discussed later.

Tax revenue accounts for \$201,148 of the \$496,978 total revenue for governmental activity, or 40.5% of total revenue. Operating grant funds and contributions were the largest program revenue accounting for \$204,563, or 41.2% of total governmental revenue. These are increases of 11.7% and 6.6%, respectively. The major recipients of intergovernmental revenue were Job and Family Services receiving \$59,122, Mental Health and Recovery receiving \$42,603, and the Board of Mental Retardation receiving \$28,398.

The County's direct charges to users of governmental services comprised \$30,416, or 6.1% of total governmental revenue. These charges included fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits associated with building inspectors. This revenue represents a year-to-year increase of 6.7%.

Business- type Activities

The net assets for the business-type activities of the County increased by \$456 during the year 2006. Charges for service decreased 8.7% to \$12,165 from the prior year but remained the largest revenue source.

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 available resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance at year-end serves as a measure of the County's net resources available for spending.

The general fund is the primary operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$40,597, while total fund balance reached \$42,100. These are increases of

9.7% and 9.5%, respectively. 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 35% to total general fund expenditures, while total fund balance represents 36.3% of that same amount.

The fund balance for the County's general fund increased by \$3,648 during the current fiscal year. Key factors in this increase are as follows:

- Total revenues increased \$6.2 million. This was primarily due to an increase in investment income of \$4.5 million, and nominal increases across all other revenue streams.
- Total expenditures increased by \$5 million, which was primarily attributable to spending in general government (\$1.3 million), judicial (\$2.4 million), and public safety (\$1.2 million) functions.

The debt service fund has a total fund balance of \$5,140, all of which is reserved for the payment of debt service. The net decrease in fund balance during the current year in the debt service fund was \$2,542. This is primarily due to a reduction in taxes due to the expiration of a levy.

The other major governmental funds of the County include the Children Services Board, the Board of Mental Retardation, Job and Family Services, and Capital Improvement. Also in 2006, the Board of Mental Health and Recovery (MHR) became a major fund after the combination two special revenue funds: Drug and Alcohol Addiction and Community Mental Health.

The fund balance of the Children Services Board decreased \$504 to \$27,256. The decrease is due to no growth in income offset by an increase in expenditures.

The fund balance for the Board of Mental Retardation increased by \$14,151 to \$25,961. The increase is due to new procedures in procuring intergovernmental revenue that expedite federal funding to the beginning of the fiscal year.

The fund balance for Job and Family Services (JFS) decreased by \$8,931 to \$6,182. The decrease is due to timing issues related to intergovernmental revenue. JFS operates on a June 30th fiscal year end and received substantial funding subsequent to the calendar yearend, but before the end of the fiscal year. JFS has since implemented procedures to more evenly receive funding throughout the year.

**LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006
(Amounts in 000's)**

**Table 2
Changes in Net Assets**

	Governmental Activities		Business- Type Activities		Totals	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenues						
Program Revenues:						
Charges for services	\$30,416	\$28,503	\$12,165	\$13,321	\$40,521	\$41,824
Operating grants and contributions	204,563	191,932	2,304	2,652	206,867	194,584
Capital grants and contributions	5,342	3,856			5,342	3,856
General Revenues:						
Taxes	201,148	180,014			201,148	180,014
Investment income	11,576	7,061			11,576	7,061
Grants, contributions, and charges not restricted to specific programs	24,624	5,965	3,207	9,861	29,891	15,826
Other	19,309	19,837			19,309	19,837
Total Revenues	<u>496,978</u>	<u>437,168</u>	<u>17,676</u>	<u>25,834</u>	<u>514,654</u>	<u>463,002</u>
Program Expenses:						
General Government:						
Legislative and executive	48,609	47,238			48,609	47,238
Judicial system	60,813	59,625			60,813	59,625
Public safety	84,697	69,737			84,697	69,737
Public works	23,047	31,922			23,047	31,922
Health	113,676	106,157			113,676	106,157
Human services	132,907	119,321			132,907	119,321
Conservation and recreation	7,090	6,686			7,090	6,686
Interest and fiscal charges	4,189	4,706			4,189	4,706
Water supply system			2,703	2,768	2,703	2,768
Waste water Treatment			4,876	4,412	4,876	4,412
Sewer system			2,692	2,885	2,692	2,885
Sanitary engineer			4,852	4,297	4,852	4,297
Solid waste			1,930	1,476	1,930	1,476
Parking facilities			167	191	167	191
Total Expenses	<u>475,028</u>	<u>445,392</u>	<u>17,220</u>	<u>16,029</u>	<u>492,248</u>	<u>461,421</u>
Increase in Net Assets before Transfers	21,950	(8,224)	456	9,805	22,406	1,581
Transfers		1,268		(1,268)		
Increase in Net Assets	<u>21,950</u>	<u>(6,956)</u>	<u>456</u>	<u>8,537</u>	<u>22,406</u>	<u>1,581</u>
Net Assets-beginning	<u>480,599</u>	<u>487,555</u>	<u>101,922</u>	<u>93,385</u>	<u>582,521</u>	<u>580,940</u>
Net Assets-ending	<u>\$502,549</u>	<u>\$480,599</u>	<u>\$102,378</u>	<u>\$101,922</u>	<u>\$604,927</u>	<u>\$582,521</u>

The Board of MHR's fund balance is best compared to the combination of its predecessor non-major funds: Drug

and Alcohol Addiction and Community Mental Health. When examined in aggregate, the fund balance of MHR

LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
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(Amounts in 000's)

increased by \$1,650, or 18.6%. The increase was primarily attributable to an increase in intergovernmental revenue that outpaced a modest rise in expenditures, which were well controlled as a result of the merger. The fund balance in the Capital Improvement fund increased 3.5% to \$14,000. The increase was primarily attributable to the rise in intergovernmental revenue as a result of the receipt of a one-time grant.

Enterprise funds. The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water Supply System at year-end amounted to \$2,417, those for the Wastewater Treatment Plant amounted to \$7,069, and for the Sewer System was \$5,317. The total net asset changes include increases of \$730 and \$212 for Water Supply and the Sewer System, respectively, and a decrease of \$582 for the Wastewater Treatment. Other factors concerning these three funds have already been addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

The County's budget is prepared according to Ohio Law. The significant budgeted fund is the General Fund. The original appropriations for the General Fund, including those for transfers out, were \$141,122, while the final appropriations were \$145,567, resulting in a net increase of \$4,445. During 2006, the General Fund budget was amended numerous times. Significant changes to the original budget included:

- \$1,285 to provide salary and benefit increases for various general fund departments.
- \$452 to transfer unclaimed funds to the Children Services Enforcement Agency.

The variances between the final budget and actual results were spread over numerous line items, and there were no significant individual variances.

Capital Assets and Debt Administration

Capital assets. The County's capital assets for its governmental and business type activities as of December 31, 2006, amount to \$360,166 (net of accumulated depreciation). This investment in capital asset includes land, building structures and improvements, furniture, fixtures, equipment, and infrastructure. The total

decrease in the County's capital assets for the current fiscal year was 1.2% (a 1.5% decrease for governmental activities and a 0.7% increase for business-type activities).

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

- Expended \$2.3 million for the purchase of 1301 Monroe Street which houses "The Source", an employment assistance service established by the Workforce Development Agency.
- Expended \$297 for start-up costs associated with the development of a multi-purpose Arena in downtown Toledo.
- Expended \$571 for a countywide public safety radio system.

Additional information on the County's capital assets can be found in Note F.

Long-term debt. At the end of the current fiscal year, the County had total bonded debt outstanding of \$67,167. Of this amount, \$31,255 comprises debt backed by the full faith and credit of the government and \$17,956 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remaining is comprised of non-tax revenue bonds of \$17,230, and \$726 for Sanitary Sewer Revenue Bonds. The County also had outstanding loans of \$29,933 from the Ohio Water Development Authority (OWDA) and \$4,586 from the Ohio Public Works Commission (OPWC).

The County's total bonded debt decreased by \$5,083 during the current fiscal year. This was due to required debt service payments, offset by bond issues totaling \$2.9 million for special assessments and revenue bonds.

The County maintains an "AA-" from Fitch, an "A+" rating from Standard & Poor's, and an "A1" rating from Moody's for general obligation debt. The bonds for the baseball stadium have been rated "A2" by Moody's, "A" by Standard and Poor's, and "AA-" by Fitch.

State statutes limit the amount of non-voted general obligation debt the County may issue to one percent of its total assessed valuation. The current debt limitation for Lucas County is \$71.1 million, which is significantly in excess of the County's outstanding non-voted general obligation debt.

**LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006
(Amounts in 000's)**

Additional information on the County's long-term debt .
be found in Note H.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the County is currently 6.3%, which is a decrease from the rate of 6.9% a year ago. The state average unemployment rate was 5.5%, and the national average was 4.6%.
- Inflationary trends in the region compare favorably to national indices.

These factors were considered in preparing the County's budget for the 2007 fiscal year.

At the end of the current fiscal year, unreserved fund

balance in the general fund was \$40,597. The County has prepared a budget for 2007 appropriating only \$939 of the unreserved balance. The County prepared a balanced budget for 2007 without an increase in taxes or an increase in rates in the enterprise funds.

Request for Information

This financial report is designed to provide pertinent data related to Lucas County's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to:

**Anita L. Lopez, Lucas County Auditor
One Government Center, Suite 600
Toledo, OH 43604-2255**

LUCAS COUNTY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2006
(Amounts in 000's)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Pooled cash and cash equivalents	\$ 10,169	\$ 1,002	\$ 11,171	\$ 7,856
Pooled investments	184,976	15,715	200,691	7,116
Receivables (net of allowance for uncollectibles)	161,794	5,070	166,864	2,839
Internal balances	4	(4)	-	-
Due from other governments	37,706	1,415	39,121	-
Prepaid expenses			-	170
Inventory of materials and supplies	856	27	883	261
Capital assets not being depreciated	34,125	742	34,867	2,986
Capital assets being depreciated (net)	214,280	111,019	325,299	15,305
Total assets	643,910	134,986	778,896	36,533
Liabilities:				
Accounts payable	15,256	352	15,608	1,160
Accrued wages and benefits	24,360	764	25,124	1,220
Due to other governments	1,986		1,986	-
Deferred revenue			-	612
Notes payable	4,915		4,915	-
Long-term liabilities				
Due within one year	13,411	963	14,374	250
Due in more than one year	81,433	30,529	111,962	3,623
Total liabilities	141,361	32,608	173,969	6,865
Net assets:				
Invested in capital assets, net of related debt	154,881	80,269	235,150	-
Restricted:				
Capital projects	9,806		9,806	-
Debt service	5,140		5,140	-
Unrestricted	332,722	22,109	354,831	29,668
Total net assets	\$ 502,549	\$ 102,378	\$ 604,927	\$ 29,668

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government -				
Legislative and executive	\$ 48,609	\$ 21,278	\$ 6,707	\$ -
Judicial	60,813	4,206	14,728	
Public safety	84,697	1,354	26,006	1,528
Public works	23,047	262	14,752	3,814
Health	113,676	1,815	52,739	
Human services	132,907	969	89,366	
Conservation and recreation	7,090	532	265	
Interest and fiscal charges	4,189			
Total governmental activities	<u>475,028</u>	<u>30,416</u>	<u>204,563</u>	<u>5,342</u>
Business-type activities:				
Water supply	2,703	724	757	
Wastewater treatment	4,876	4,294		
Sewer	2,692	199	1,450	
Sanitary engineer	4,852	4,729	97	
Solid waste	1,930	1,828		
Parking facilities	167	391		
Total business-type activities	<u>17,220</u>	<u>12,165</u>	<u>2,304</u>	<u>-</u>
Total primary government	<u>\$ 492,248</u>	<u>\$ 42,581</u>	<u>\$ 206,867</u>	<u>\$ 5,342</u>
Component Units:				
Lott Industries	\$ 12,883	\$ 5,876	\$ 6,860	\$ -
Preferred Properties	1,311	610	2,071	
Toledo Mud Hens	10,649	4,652		
Total component units	<u>\$ 24,843</u>	<u>\$ 11,138</u>	<u>\$ 8,931</u>	<u>\$ -</u>

General Revenues:

Property Tax
Sales Tax
Other Tax
Intergovernmental revenue not restricted to specific programs
Investment Income
Miscellaneous
Capital contributions not restricted to specific programs
Transfers
Total general revenues and transfers
Changes in net assets
Net assets - beginning - restated (Note R)
Net assets - ending

The Notes to the Financial Statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Assets**

Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (20,624)	\$ -	\$ (20,624)	\$ -
(41,879)		(41,879)	
(55,809)		(55,809)	
(4,219)		(4,219)	
(59,122)		(59,122)	
(42,572)		(42,572)	
(6,293)		(6,293)	
(4,189)		(4,189)	
<u>(234,707)</u>	<u>-</u>	<u>(234,707)</u>	<u>-</u>
	(1,222)	(1,222)	
	(582)	(582)	
	(1,043)	(1,043)	
	(26)	(26)	
	(102)	(102)	
	224	224	
<u>-</u>	<u>(2,751)</u>	<u>(2,751)</u>	<u>-</u>
<u>(234,707)</u>	<u>(2,751)</u>	<u>(237,458)</u>	<u>-</u>
			(147)
			1,370
			(5,997)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,774)</u>
110,923		110,923	
71,271		71,271	
18,954		18,954	
24,624		24,624	
11,576		11,576	
19,309		19,309	8,458
	3,207	3,207	
<u>256,657</u>	<u>3,207</u>	<u>259,864</u>	<u>8,458</u>
21,950	456	22,406	3,684
480,599	101,922	582,521	25,984
<u>\$ 502,549</u>	<u>\$ 102,378</u>	<u>\$ 604,927</u>	<u>\$ 29,668</u>

The Notes to the Financial Statements are an integral part of this statement.

**LUCAS COUNTY, OHIO
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006
(Amounts in 000's)**

	<u>General</u>	<u>Children Services Board</u>	<u>Board of Mental Retardation</u>	<u>Job and Family Services</u>
Assets:				
Pooled cash and cash equivalents	\$ 2,130	\$ 1,658	\$ 1,477	\$ 53
Pooled investments	29,890	26,012	23,170	825
Receivables (net of allowance for uncollectibles)				
Taxes	38,731	19,463	34,869	
Accounts	327			
Special assessments	1			
Accrued interest	2,080			
Loans				
Due from other funds		914		
Due from other governments	5,786	1,903	4,681	11,205
Inventory: materials and supplies				
Total assets	<u>\$ 78,945</u>	<u>\$ 49,950</u>	<u>\$ 64,197</u>	<u>\$ 12,083</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 1,278	\$ 1,636	\$ 843	\$ 4,427
Accrued wages and benefits	2,184	585	867	544
Due to pooled cash and cash equivalents				
Due to other funds	125	20		930
Due to other governments	1,986			
Deferred revenue	31,272	20,453	36,526	
Notes payable				
Total liabilities	<u>36,845</u>	<u>22,694</u>	<u>38,236</u>	<u>5,901</u>
Fund balances:				
Reserved for:				
Encumbrances	1,503	740	5,282	2,018
Inventory				
Loans receivable				
Debt service				
Unreserved reported in:				
General fund	40,597			
Special revenue funds		26,516	20,679	4,164
Capital projects funds				
Total fund balances	<u>42,100</u>	<u>27,256</u>	<u>25,961</u>	<u>6,182</u>
Total liabilities and fund balances	<u>\$ 78,945</u>	<u>\$ 49,950</u>	<u>\$ 64,197</u>	<u>\$ 12,083</u>

<u>Mental Health & Recovery</u>	<u>Capital Improvements</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 510	\$ 1,235	\$ 284	\$ 2,395	\$ 9,742
7,991	19,362	4,457	37,086	148,793
11,587			26,332	130,982
			933	1,260
		27,441		27,442
				2,080
			24	24
				914
4,006		304	9,821	37,706
			689	689
<u>\$ 24,094</u>	<u>\$ 20,597</u>	<u>\$ 32,486</u>	<u>\$ 77,280</u>	<u>\$ 359,632</u>

\$ 1,019	\$ 1,682	\$	\$ 3,625	\$ 14,510
34			913	5,127
			1,755	1,755
1			46	1,122
				1,986
12,280		27,346	32,060	159,937
	4,915			4,915
<u>13,334</u>	<u>6,597</u>	<u>27,346</u>	<u>38,399</u>	<u>189,352</u>

6,947	4,194		7,091	27,775
			689	689
			24	24
		5,140		5,140
				40,597
3,813			31,077	86,249
	9,806			9,806
<u>10,760</u>	<u>14,000</u>	<u>5,140</u>	<u>38,881</u>	<u>170,280</u>
<u>\$ 24,094</u>	<u>\$ 20,597</u>	<u>\$ 32,486</u>	<u>\$ 77,280</u>	<u>\$ 359,632</u>

LUCAS COUNTY, OHIO
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2006
(Amounts in 000's)

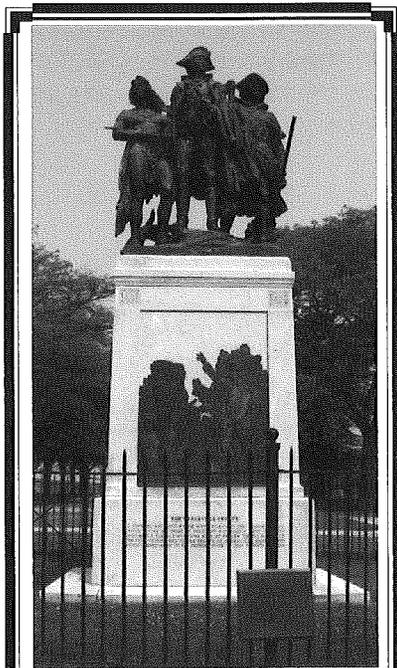
Total governmental fund balances	\$	170,280
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		248,405
Internal service funds are used by management to charge the cost 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, less \$120 net capital assets included above as capital assets used in governmental activities.		26,514
Long-term assets are not available to pay for current period expenditures and therefore deferred in the funds.		159,937
Long term liabilities, including bonds payable, OWDA loans, OPWC loans, capital leases, compensated absences, and landfill obligation are not due and payable in the current period and therefore are not reported in the funds.		<u>(102,587)</u>
Net assets of governmental activities	\$	<u><u>502,549</u></u>

The Notes to the Financial Statements are an integral part of this statement.

All-America City



One of the City's signature projects in the heart of Downtown Maumee, the historic Maumee Indoor Theatre completed its third successful year of operation in 2006.



Located in what is now Maumee, Major General Anthony Wayne led troops in the Battle of Fallen Timbers. Today, Maumee has both preserved land around the battlefield for its historic value and honored its history by naming its new retail development the "Shops at Fallen Timbers".

All-America City Award

2006

Maumee, Ohio

in recognition of achievement through citizen action


 Christopher T. Gates
 President, National Civic League


 Robert Rawson, Jr.
 Chair, National Civic League
 Foreman, AAC Jury



A Program of the
NATIONAL CIVIC LEAGUE

Maumee



Nestled on the northern banks of the Maumee River in Lucas County, the City of Maumee was recognized before a national audience by winning the coveted "All-America City" award in 2006. Maumee also received accolades from both travel expert Arthur Frommer whose renowned publication listed Maumee as one of the 100 best places to raise a family in America, and from *Ohio Magazine*, who listed Maumee as one of Ohio's five best hometowns!

LUCAS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>General</u>	<u>Children Services Board</u>	<u>Board of Mental Retardation</u>	<u>Job and Family Services</u>
Revenues:				
Taxes	\$ 93,305	\$ 19,744	\$ 34,210	\$
Charges for services	14,304			
Licenses and permits	30			
Fines and forfeits	596			
Special assessments	30			
Intergovernmental revenue	19,864	21,030	28,398	59,122
Investment income	11,576			
Miscellaneous revenue	2,662	4,856	103	1
Total revenues	<u>142,367</u>	<u>45,630</u>	<u>62,711</u>	<u>59,123</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	26,704			
Judicial	44,408			
Public safety	40,805			
Public works	238			
Health	684		48,560	
Human services	1,308	46,134		71,334
Conservation and recreation	909			
Miscellaneous	852			
Capital outlay				
Debt service:				
Principal retirement				
Interest and fiscal charges				
Total expenditures	<u>115,908</u>	<u>46,134</u>	<u>48,560</u>	<u>71,334</u>
Excess (deficiency) of revenues over expenditures	<u>26,459</u>	<u>(504)</u>	<u>14,151</u>	<u>(12,211)</u>
Other Financing Sources (Uses):				
Bonds issued				
OPWC loan proceeds				
Transfers in				3,327
Transfers out	(22,811)			(47)
Total other financing sources (uses)	<u>(22,811)</u>	<u>-</u>	<u>-</u>	<u>3,280</u>
Net change in fund balances	3,648	(504)	14,151	(8,931)
Fund balance at beginning of year	<u>38,452</u>	<u>27,760</u>	<u>11,810</u>	<u>15,113</u>
Fund balance at end of year	<u>\$ 42,100</u>	<u>\$ 27,256</u>	<u>\$ 25,961</u>	<u>\$ 6,182</u>

<u>Mental Health and Recovery</u>	<u>Capital Improvements</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 11,463	\$	\$	\$ 19,767	\$ 178,489
			15,275	29,579
				30
			211	807
	1,116	1,224		2,370
42,603	1,842	304	60,921	234,084
				11,576
78	2,670	523	8,713	19,606
<u>54,144</u>	<u>5,628</u>	<u>2,051</u>	<u>104,887</u>	<u>476,541</u>
			18,155	44,859
			14,423	58,831
			41,229	82,034
			14,204	14,442
52,494			8,836	110,574
			9,900	128,676
			5,991	6,900
			6,296	7,148
	9,404		149	9,553
		8,071		8,071
	186	4,003		4,189
<u>52,494</u>	<u>9,590</u>	<u>12,074</u>	<u>119,183</u>	<u>475,277</u>
<u>1,650</u>	<u>(3,962)</u>	<u>(10,023)</u>	<u>(14,296)</u>	<u>1,264</u>
	2,892			2,892
			500	500
	1,541	7,481	11,339	23,688
			(830)	(23,688)
-	<u>4,433</u>	<u>7,481</u>	<u>11,009</u>	<u>3,392</u>
1,650	471	(2,542)	(3,287)	4,656
9,110	13,529	7,682	42,168	165,624
<u>\$ 10,760</u>	<u>\$ 14,000</u>	<u>\$ 5,140</u>	<u>\$ 38,881</u>	<u>\$ 170,280</u>

LUCAS COUNTY, OHIO
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

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

Net change in fund balances - total governmental funds	\$	4,656
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeds capital outlay in the current period.		(3,663)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		20,734
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt.		4,679
Some expenses reported in the statement of activities do not require the use of financial resources and, therefore, are not reported as expenditures in governmental funds.		(889)
The net revenue of certain activities of internal service funds is reported with governmental activities.		<u>(3,567)</u>
Change in net assets of governmental activities	\$	<u><u>21,950</u></u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
GENERAL FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 94,359	\$ 94,359	\$ 93,234	\$ (1,125)
Charges for services	13,854	13,854	14,090	236
Licenses and permits	53	53	30	(23)
Fines and forfeits	478	478	573	95
Special assessments	28	28	29	1
Intergovernmental revenue	20,558	20,558	20,368	(190)
Investment income	6,802	6,802	10,438	3,636
Miscellaneous revenue	1,965	1,965	1,817	(148)
	<u>138,097</u>	<u>138,097</u>	<u>140,579</u>	<u>2,482</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	29,503	29,875	28,611	1,264
Judicial	44,491	45,846	45,076	770
Public safety	40,320	41,337	41,028	309
Public works	361	367	283	84
Health	1,115	896	721	175
Human services	1,785	1,785	1,602	183
Conservation and recreation	976	1,023	967	56
Miscellaneous	1,183	2,066	937	1,129
	<u>119,734</u>	<u>123,195</u>	<u>119,225</u>	<u>3,970</u>
Total expenditures	<u>119,734</u>	<u>123,195</u>	<u>119,225</u>	<u>3,970</u>
Net change in fund balance	18,363	14,902	21,354	6,452
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	(21,388)	(22,372)	(21,549)	823
	<u>(21,388)</u>	<u>(22,372)</u>	<u>(21,549)</u>	<u>823</u>
Total other financing sources (uses)	<u>(21,388)</u>	<u>(22,372)</u>	<u>(21,549)</u>	<u>823</u>
Net change in fund balance	(3,025)	(7,470)	(195)	7,275
Fund balance at beginning of year	26,279	26,279	26,279	-
Prior year encumbrances appropriated	2,164	2,164	2,164	-
Fund balance at end of year	<u>\$ 25,418</u>	<u>\$ 20,973</u>	<u>\$ 28,248</u>	<u>\$ 7,275</u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
CHILDREN SERVICES BOARD - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 19,255	\$ 19,255	\$ 19,662	\$ 407
Intergovernmental revenue	21,078	21,078	19,837	(1,241)
Miscellaneous revenue	4,366	4,366	4,856	490
<i>Total revenue</i>	44,699	44,699	44,355	(344)
Expenditures:				
Current:				
Human services				
Personal services	23,916	23,916	23,839	77
Materials and supplies	1,410	1,410	1,409	1
Charges and services	23,542	23,542	21,607	1,935
Capital outlay and equipment	543	543	219	324
<i>Total expenditures</i>	49,411	49,411	47,074	2,337
Net change in fund balance	(4,712)	(4,712)	(2,719)	1,993
Fund balance at beginning of year	27,294	27,294	27,294	-
Prior year encumbrances appropriated	1,290	1,290	1,290	-
Fund balance at end of year	<u>\$ 23,872</u>	<u>\$ 23,872</u>	<u>\$ 25,865</u>	<u>\$ 1,993</u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
BOARD OF MENTAL RETARDATION - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget- Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 32,781	\$ 32,781	\$ 34,114	\$ 1,333
Charges for services	-	-	-	-
Intergovernmental revenue	7,307	7,307	4,686	(2,621)
Miscellaneous revenue	6,553	6,553	21,812	15,259
<i>Total revenue</i>	46,641	46,641	60,612	13,971
Expenditures:				
Current:				
Health				
Personal services	35,151	35,151	35,113	38
Materials and supplies	1,695	1,695	1,495	200
Charges and services	16,296	16,296	15,891	405
Capital outlay and equipment	1,411	1,411	1,370	41
<i>Total expenditures</i>	54,553	54,553	53,869	684
Net change in fund balance	(7,912)	(7,912)	6,743	14,655
Fund balance at beginning of year	7,806	7,806	7,806	-
Prior year encumbrances appropriated	2,842	2,842	2,842	-
Fund balance at end of year	<u>\$ 2,736</u>	<u>\$ 2,736</u>	<u>\$ 17,391</u>	<u>\$ 14,655</u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
JOB AND FAMILY SERVICES - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue	\$ 67,016	\$ 67,016	\$ 59,379	\$ (7,637)
Miscellaneous revenue	-	-	1	1
<i>Total revenue</i>	67,016	67,016	59,380	(7,636)
Expenditures:				
Current:				
Human services				
Personal services	22,054	22,054	21,955	99
Materials and supplies	514	514	482	32
Charges and services	56,209	56,209	51,603	4,606
Capital outlay and equipment	320	320	276	44
<i>Total expenditures</i>	79,097	79,097	74,316	4,781
<i>Excess of revenues over (under) expenditures</i>	(12,081)	(12,081)	(14,936)	(2,855)
Other financing sources:				
Transfers in	3,652	3,652	3,327	(325)
<i>Total other financing sources</i>	3,652	3,652	3,327	(325)
 Net change in fund balance	 (8,429)	 (8,429)	 (11,609)	 (3,180)
Fund balance at beginning of year	1,024	1,024	1,024	-
Prior year encumbrances appropriated	7,411	7,411	7,411	-
Fund balance at end of year	<u>\$ 6</u>	<u>\$ 6</u>	<u>\$ (3,174)</u>	<u>\$ (3,180)</u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
MENTAL HEALTH & RECOVERY - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 17,129	\$ 17,129	\$ 11,421	\$ (5,708)
Intergovernmental revenue	63,942	63,942	39,992	(23,950)
Miscellaneous revenue	1,453	1,453	78	(1,375)
<i>Total revenue</i>	82,524	82,524	51,491	(31,033)
Expenditures:				
Current:				
Health				
Personal services	2,274	2,274	1,343	931
Materials and supplies	38	38	14	24
Charges and services	67,323	67,323	58,321	9,002
Capital outlay and equipment	4	4	-	4
<i>Total expenditures</i>	69,639	69,639	59,678	9,961
Net change in fund balance	12,885	12,885	(8,187)	(21,072)
Fund balance at beginning of year	5,005	5,005	5,005	-
Prior year encumbrances appropriated	4,128	4,128	4,128	-
Fund balance at end of year	<u>\$ 22,018</u>	<u>\$ 22,018</u>	<u>\$ 946</u>	<u>\$(21,072)</u>

The Notes to the Financial Statements are an integral part of this statement

**LUCAS COUNTY, OHIO
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2006**

	Business-type Activities - Enterprise Funds		
	Water Supply System	Wastewater Treatment	Sewer System
Assets:			
Current assets:			
Pooled cash and cash equivalents	\$ 119	\$ 225	\$ 289
Pooled investments	1,873	3,527	4,536
Receivables (net of allowances for uncollectibles)	455	2,180	500
Due from other funds			
Due from other governments		1,415	
Inventory of materials and supplies		27	
Total current assets	<u>2,447</u>	<u>7,374</u>	<u>5,325</u>
Noncurrent assets - capital assets:			
Land	199	39	10
Land improvements	68,132		68,085
Buildings, structures, and improvements	2,839	31,484	
Furniture, fixtures, and equipment	1,641	9,302	59
Less accumulated depreciation	(28,917)	(15,115)	(28,994)
Total noncurrent assets	<u>43,894</u>	<u>25,710</u>	<u>39,160</u>
Total assets	<u>\$ 46,341</u>	<u>\$ 33,084</u>	<u>\$ 44,485</u>
Liabilities:			
Current liabilities:			
Accounts payable	\$ 30	\$ 151	\$ 8
Accrued wages and benefits		153	
Due to other funds		1	
Due to pooled cash			
Claims payable - current			
Current portion of long-term debt	177	603	145
Total current liabilities	<u>207</u>	<u>908</u>	<u>153</u>
Noncurrent liabilities:			
Obligations under capital leases			
OWDA loans payable	3,916	21,405	1,751
Claims payable - noncurrent			
OPWC loans payable		1,292	1,111
Total noncurrent liabilities	<u>3,916</u>	<u>22,697</u>	<u>2,862</u>
Total liabilities	<u>4,123</u>	<u>23,605</u>	<u>3,015</u>
Net Assets:			
Invested in capital assets, net of related debt	39,801	2,410	36,153
Unrestricted	2,417	7,069	5,317
Total net assets	<u>42,218</u>	<u>9,479</u>	<u>41,470</u>
Total liabilities and net assets	<u>\$ 46,341</u>	<u>\$ 33,084</u>	<u>\$ 44,485</u>

The Notes to the Financial Statements are an integral part of this statement.

Nonmajor Enterprise Funds	Total	Governmental Activities -Internal Service Funds
\$ 369	\$ 1,002	\$ 2,306
5,779	15,715	36,183
1,935	5,070	6
	1,415	212
	27	167
<u>8,083</u>	<u>23,229</u>	<u>38,874</u>
494	742	83
	136,217	
3,006	37,329	30
2,970	13,972	1,237
<u>(3,473)</u>	<u>(76,499)</u>	<u>(1,193)</u>
<u>2,997</u>	<u>111,761</u>	<u>157</u>
<u>\$ 11,080</u>	<u>\$ 134,990</u>	<u>\$ 39,031</u>
\$ 163	\$ 352	\$ 911
611	764	140
3	4	
		124
		6,235
<u>38</u>	<u>963</u>	
<u>815</u>	<u>2,083</u>	<u>7,410</u>
		37
1,054	28,126	4,950
	2,403	
<u>1,054</u>	<u>30,529</u>	<u>4,987</u>
<u>1,869</u>	<u>32,612</u>	<u>12,397</u>
1,905	80,269	120
<u>7,306</u>	<u>22,109</u>	<u>26,514</u>
<u>9,211</u>	<u>102,378</u>	<u>26,634</u>
<u>\$ 11,080</u>	<u>\$ 134,990</u>	<u>\$ 39,031</u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Business-type Activities - Enterprise		
	Water Supply System	Wastewater Treatment	Sewer System
Operating revenues:			
Charges for services	\$ 724	\$ 4,294	\$ 199
Miscellaneous	757		1,450
Total operating revenues	1,481	4,294	1,649
Operating expenses:			
Personal services		1,241	
Contract services	316	763	721
Materials and supplies	36	402	29
Heat, light and power	377	523	131
Depreciation	1,716	798	1,678
Miscellaneous			
Employee medical benefit			
Total operating expenses	2,445	3,727	2,559
Operating income (loss)	(964)	567	(910)
Nonoperating revenues (expenses):			
Interest and fiscal charges	(258)	(1,149)	(133)
Loss on disposal of fixed assets			
Total nonoperating revenues (expenses)	(258)	(1,149)	(133)
Income (loss) before contributions and operating transfers	(1,222)	(582)	(1,043)
Capital contributions	1,952		1,255
Transfer in			
Transfer out			
Change in net assets	730	(582)	212
Net assets at beginning of year	41,488	10,061	41,258
Net assets at end of year	\$ 42,218	\$ 9,479	\$ 41,470

The Notes to the Financial Statements are an integral part of this statement.

<u>Funds</u> Nonmajor Enterprise Funds	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 6,948	\$ 12,165	\$ 38,836
97	2,304	1
7,045	14,469	38,837
4,281	5,522	1,348
1,861	3,661	3,430
351	818	1,164
60	1,091	
286	4,478	33
26	25	31
		36,388
6,865	15,596	42,394
180	(1,127)	(3,557)
(68)	(1,608)	(3)
(16)	(16)	(7)
(84)	(1,624)	(10)
96	(2,751)	(3,567)
	3,207	
		3,300
		(3,300)
96	456	(3,567)
9,115	101,922	30,201
\$ 9,211	\$ 102,378	\$ 26,634

The Notes to the Financial Statements are an integral part of this statement.

**LUCAS COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

	Business-Type Activities - Enterprise Funds		
	Water Supply System	Waste- Water Treatment	Sewer System
Cash flows from operating activities:			
Cash received from customers	\$ 1,643	\$ 3,862	\$ 1,722
Cash paid to suppliers	(718)	(1,752)	(883)
Cash paid to employees	-	(1,258)	-
Net cash provided by (used in) operating activities	<u>925</u>	<u>852</u>	<u>839</u>
Cash flows from noncapital financing activities:			
Transfers in			
Transfers out	-	-	-
Net cash used in noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Proceeds of loans	-	1,215	-
Principal payments - OWDA loans	(340)	(1,103)	(231)
Principal payments - OPWC loans	-	(43)	(67)
Principal payments - capital leases	-	-	-
Purchase of capital assets	-	(17)	(59)
Interest paid	(258)	(1,149)	(133)
Net cash used in capital and related financing activities	<u>(598)</u>	<u>(1,097)</u>	<u>(490)</u>
Cash flows from investing activities:			
Proceeds from sales of investments	1,009	3,393	3,257
Payments for investments	(1,250)	(3,002)	(3,382)
Net cash provided by (used in) investing activities	<u>(241)</u>	<u>391</u>	<u>(125)</u>
Net increase in cash	86	146	224
Cash and cash equivalents, January 1	33	79	65
Cash and cash equivalents, December 31	<u>\$ 119</u>	<u>\$ 225</u>	<u>\$ 289</u>

The Notes to the Financial Statements are an integral part of this statement.

<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
\$ 7,106	\$ 14,333	\$ 38,796
(2,312)	(5,665)	(40,059)
(4,213)	(5,471)	(1,350)
581	3,197	(2,613)
-	-	3,300
-	-	(3,300)
-	-	-
-	1,215	-
(74)	(1,748)	-
-	(110)	-
-	-	(10)
(452)	(528)	(7)
(68)	(1,608)	(3)
(594)	(2,779)	(20)
4,892	12,551	35,037
(4,632)	(12,266)	(30,912)
260	285	4,125
247	703	1,492
122	299	814
<u>\$ 369</u>	<u>\$ 1,002</u>	<u>\$ 2,306</u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)
Reconciliation of Operating Income (Loss) to Net Cash Provided
by Operating Activities

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Water Supply System</u>	<u>Waste- Water Treatment</u>	<u>Sewer System</u>
Operating income (loss)	\$ (964)	\$ 567	\$ (910)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	1,716	798	1,678
(Increase) decrease in operating assets:			
Accounts receivable	162	(535)	73
Due from other funds			
Inventory		(7)	
Increase (decrease) in operating liabilities:			
Accounts payable	11	45	(2)
Accrued wages and benefits		(17)	
Due to pooled cash			
Due to other funds		1	
Total adjustments	<u>1,889</u>	<u>285</u>	<u>1,749</u>
Net cash provided by operating activities	<u>\$ 925</u>	<u>\$ 852</u>	<u>\$ 839</u>

**Noncash capital and related
financing activities:**

Enterprise funds received approximately \$3.2 million of contributed assets, approximately \$1.9 million to the Water Supply System, and \$1.3 million to the Sewer System.

The Notes to the Financial Statements are an integral part of this statement.

<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Governmental Activities-Internal Service Funds</u>
\$ 181	\$ (1,126)	\$ (3,557)
286	4,478	33
61	(239)	4
	(7)	(45)
(16)	38	927
67	50	(2)
		124
<u>2</u>	<u>3</u>	<u>-</u>
<u>400</u>	<u>4,323</u>	<u>944</u>
<u>\$ 581</u>	<u>\$ 3,197</u>	<u>\$ (2,613)</u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUND
DECEMBER 31, 2006
(Amounts in 000's)

	Agency Funds
Assets:	
Pooled cash and cash equivalents	\$ 32,292
Segregated cash accounts	11,168
Due from other governments	15,600
Total assets	\$ 59,060
 Liabilities:	
Unapportioned monies external to county	\$ 32,774
Deposits held due to others	12,531
Payroll withholdings	2,233
Due to other governments	11,522
Total liabilities	\$ 59,060

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF NET ASSETS
DISCRETELY PRESENTED COMPONENT UNITS
DECEMBER 31, 2006

	Toledo Mud Hens Baseball Club, Inc.	Lott Industries Inc.	Preferred Properties Inc.	Total
Assets:				
Current assets-				
Pooled cash and cash equivalents	\$ 6,107	\$ 1,396	\$ 353	\$ 7,856
Pooled investments	60	6,899	157	7,116
Receivables (net of allowances for uncollectables) accounts	172	904	1,560	2,636
Undeveloped land	-	-	203	203
Prepaid expenses	70	9	91	170
Inventory: materials and supplies	156	105		261
Total current assets	<u>6,565</u>	<u>9,313</u>	<u>2,364</u>	<u>18,242</u>
Noncurrent assets-				
Property, plant and equipment-				
Land		188	955	1,143
Buildings, structures and improvements		9,033	7,901	16,934
Furniture, fixtures and equipment	1,735	1,737	147	3,619
Construction in progress			1,843	1,843
Less: accumulated depreciation		(3,270)	(1,978)	(5,248)
Total noncurrent assets	<u>1,735</u>	<u>7,688</u>	<u>8,868</u>	<u>18,291</u>
Total assets	<u>\$ 8,300</u>	<u>\$ 17,001</u>	<u>\$ 11,232</u>	<u>\$ 36,533</u>
Liabilities:				
Current liabilities-				
Accounts Payable	\$ 742	\$ 359	\$ 59	\$ 1,160
Accrued wages and benefits	1,008	212		1,220
Deferred revenue	612			612
Current portion of long-term debt	-	165	85	250
Total current liabilities	<u>2,362</u>	<u>736</u>	<u>144</u>	<u>3,242</u>
Noncurrent liabilities-				
Notes Payable			-	-
Bonds Payable		3,440		3,440
Other long term obligations			183	183
Total noncurrent liabilities-	<u>-</u>	<u>3,440</u>	<u>183</u>	<u>3,623</u>
Total liabilities	<u>2,362</u>	<u>4,176</u>	<u>327</u>	<u>6,865</u>
Net Assets:				
Unrestricted	5,938	12,825	3,066	21,829
Restricted	-	-	7,839	7,839
Total liabilities and net assets	<u>\$ 8,300</u>	<u>\$ 17,001</u>	<u>\$ 11,232</u>	<u>\$ 36,533</u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Toledo Mud Hens Baseball Club inc.</u>
		<u>Charges for Services</u>	<u>Grants and Contributions</u>	
Toledo Mud Hens Baseball Club				
Recreation	\$ 10,649	\$ 4,652	\$ -	\$ (5,997)
Lott Industries				
Health	12,883	5,876	6,860	-
Preferred Properties Inc.				
Health	1,311	610	2,071	-
Total component units	<u>\$ 24,843</u>	<u>\$ 11,138</u>	<u>\$ 8,931</u>	<u>\$ (5,997)</u>

General Revenues:

Miscellaneous	<u>7,840</u>
Total general revenues	<u>7,840</u>
Changes in net assets	<u>1,843</u>
Net assets - beginning - restated (Note R)	<u>4,095</u>
Net assets - ending	<u><u>\$ 5,938</u></u>

The Notes to the Financial Statements are an integral part of this statement.

**Net (Expense) Revenue and
Changes in Net Assets**

<u>Lott Industries Inc.</u>	<u>Preferred Properties Inc.</u>	<u>Total</u>
\$ -	\$ -	\$ (5,997)
(147)	-	(147)
-	1,370	1,370
<u>\$ (147)</u>	<u>\$ 1,370</u>	<u>\$ (4,774)</u>
<u>509</u>	<u>109</u>	<u>8,458</u>
<u>509</u>	<u>109</u>	<u>8,458</u>
362	1,479	3,684
12,463	9,426	25,984
<u>\$ 12,825</u>	<u>\$ 10,905</u>	<u>29,668</u>

The Notes to the Financial Statements are an integral part of this statement.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(Amounts in 000's)

Note A - Description of Lucas County and Basis of Presentation

The County: Lucas County is a political subdivision of the State of Ohio. The County was formed by an act of the Ohio General Assembly in 1835. 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 seven other elected administrative officials, each of whom are independent as set forth by Ohio law. These officials are: **Clerk of Courts, Coroner, Engineer, Prosecutor, Recorder, Sheriff, and Treasurer.** There are also ten **Common Pleas Court Judges, two Domestic Relations Court Judges, two Juvenile Court Judges, one Probate Court Judge** and five **Court of Appeals Judges** elected on a Countywide basis to oversee the County's judicial system.

The accompanying financial statements present the County (Primary Government) and its component units, which are legally separate organizations which the elected officials of the primary government are financially accountable. The financial data of the component units are included in the County's reporting entity because of the significance of their operational or financial relationships with the County. Blended component units, although legally separate entities, are, in substance, part of the government operations.

A discretely presented component unit is an entity that is legally separate from the County but for which the County is financially accountable, or its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete.

The component unit column in the Government-Wide Financial Statements include the County's discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the County. A brief description of each component unit, and its relationships to the County follows:

The Toledo Mud Hens Baseball Club, Inc. is organized to own, manage, and operate a professional baseball club.

Upon dissolution, any remaining net assets become property of the Board of County Commissioners, and new appointments to the board of directors requires concurrence of the Commissioners. The County receives rent from the Med Hens to retire non-tax revenue bonds issued to finance the construction of the baseball stadium. The Mud Hens are reported on a fiscal year ending October 31. Complete financial statements of the component unit can be obtained from its administrative office at Fifth Third Field, 406 Washington St., Toledo, OH 43604.

Lott Industries, Inc., is a nonprofit organization affiliated with the Lucas County Board of Mental Retardation and Developmental Disabilities (LCBMR/DD), a special revenue fund of the County. It provides employment for individuals with mental retardation and developmental disabilities by obtaining work competitively from the private and public sectors. A majority of the board of the component unit is appointed by the LCBMR/DD. The LCBMR/DD pays the salaries of the administrative staff, which is a financial obligation of the County, and the component unit exists solely to provide service to the LCBMR/DD. Complete financial statements of the component unit can be obtained from its administrative office at 2001 Collingwood, Toledo, Ohio 43620.

Preferred Properties, Inc. and Affiliates is a not-for-profit corporation organized to provide affordable and accessible housing to persons with disabilities. One third of the board of the component unit is appointed by the LCBMR/DD. Funds for the purchase of housing are received from the LCBMR/DD, which come from board funds and pass through of funds from Community Assistance Projects administered by the Ohio Department of Mental Retardation and Developmental Disabilities. Upon dissolution, the assets of Preferred Properties revert to the LCBMR/DD. This imposes a financial obligation on the County, and the component unit is fiscally dependent on the primary government. Preferred Properties, Inc. is reported on a fiscal year ending June 30. Complete financial statements of the component unit can be obtained from its administrative office at 2001 Collingwood, Toledo, Ohio 43620.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(Amounts in 000's)

Note A - Description of Lucas County and Basis of Presentation (Continued)

In determining its reporting entity and component units, the County considered all potential component units, including the Lucas County Board of Health, Metropolitan Park District, Lucas County Soil and Water Conservation District, Lucas County Port Authority, Lucas County Improvement Corporation, Toledo Zoological Society, Toledo Area Sanitary District, Toledo Lucas County Public Library, Lucas County Board of Education and Toledo-Lucas County Convention and Visitors Bureau and concluded that such were neither component units nor related organizations of the County and that it would not be misleading to exclude their activities from the County's reporting entity.

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.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the County's water and sewer function and various other functions of the County. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006
(Amounts in 000's)

Note A - Description of Lucas County and Basis of Presentation (Continued)

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 funds assets and liabilities is reported as fund balance.

The following are the County's major governmental funds.

- **General Fund:** This fund accounts for the general operating revenues and expenditures of the County not recorded elsewhere. The primary revenue sources are sales and use taxes, property taxes, state and local government fund receipts, investment earnings and charges for services.
- **Children Services Board Special Revenue Fund:** This fund accounts for County-wide property tax levy, state grants and reimbursements used for County child care programs.
- **Board of Mental Retardation Special Revenue Fund:** This fund accounts for a County-wide property tax levy, state grants and reimbursements used for care and services for the mentally handicapped and retarded.
- **Job and Family Services Special Revenue Fund:** This fund accounts for various federal and state grants and reimbursements as well as transfers from the General Fund used for human service programs.
- **Mental Health and Recovery Fund:** This fund accounts for a County-wide property tax levy, state grants and reimbursement used for mental health programs and alcohol and drug recovery programs.

- **Capital Improvements Capital Projects Fund:** This fund accounts for renovation and construction of County owned buildings and facilities, and construction of special assessment projects.
- **Debt Service Fund:** This fund accounts for revenues received and used to pay principal and interest on debt.

Proprietary Funds: Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. These funds are used to account for operations that provide services which are financed primarily by user charges, or activities where periodic measurement of income is appropriate for capital maintenance, public policy, management control or other purposes. The County reports the following major proprietary funds.

- **Water Supply System Enterprise Fund:** This fund accounts for the distribution of treated water to individuals and commercial users of Lucas County.
- **Sewer System Enterprise Fund:** This fund accounts for sanitary sewer services provided to individuals and commercial users in Lucas County and portions of Wood County.
- **Wastewater Treatment Enterprise Fund:** This fund accounts for wastewater treatment services provided to the Sanitary Engineer, cities of Maumee and Sylvania, Village of Waterville, Sylvania Township and other portions of Lucas County and portions of Wood County.

Additionally, the County reports which Internal Service Funds account for the goods or services provided by certain County departments to other County funds, departments and other governmental units, on a cost reimbursement basis.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note A - Description of Lucas County and Basis of Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Supply System, Wastewater Treatment Plant, and Sewer System, and of the County's internal service funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non operating revenues and expenses.

Fiduciary Funds: Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds and agency funds. The County only maintains agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's agency funds are primarily established to account for the collection of various taxes, as well as other intergovernmental resources that will be distributed to other taxing districts located within the County.

Note B - Summary of Significant Accounting Policies

The accompanying financial statements of the County are prepared in conformity with generally accepted accounting principles (GAAP) for local government units as prescribed in statements and interpretations issued by the Government Accounting Standards Board (GASB) and other recognized authoritative sources. The County has elected not to apply Financial Accounting Standards Board (FASB) Statements and interpretations issued after November 30, 1989, to its enterprise fund activities.

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.

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 governmental-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of 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 of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note B - Summary of Significant Accounting Policies
(Continued)

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 fiscal year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlement and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (See Note K). Revenue from grants, entitlement 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 the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: 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, 2006 but which were levied to finance fiscal year 2007 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.

Allowance for Uncollectibles: Receivables are reported net of allowance for uncollectibles. The amount of the allowance for the major funds are; General Fund, \$823; Children Services Board, \$865; Board of Mental Retardation, \$1,578; and Mental Health and Recovery, \$513.

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.

Budgetary Information: Under Ohio law, the Board of County Commissioners must adopt an appropriations budget by January 1st of a given year, or adopt a temporary appropriation measure with final passage of a permanent budget by April 1st, for all funds except Agency Funds. Budgets are legally required for each organizational unit by object (personal services, materials and supplies, charges for services, and capital outlays and equipment).

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note B - Summary of Significant Accounting Policies
(Continued)

Each County department prepares a budget that is approved by the Board of County Commissioners. Modifications to the original budget within expenditure objects can be made by the budget manager in the Auditor's Office. The County maintains budgetary control within an organizational unit and fund by not permitting expenditures and encumbrances to exceed appropriations at the object level (the legal level of control). Unencumbered and unexpended appropriations lapse at year-end. Encumbered and unpaid appropriations (reserved for encumbrances) are carried forward to the next year as authority for expenditures.

The County's budgetary process accounts for certain transactions on a basis other than GAAP. The major difference between the budget basis and the GAAP basis are:

(1) Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).

(2) Expenditures are recorded when encumbered, or paid in cash (budget), as opposed to when susceptible to accrual (GAAP).

The actual results of operations, compared to the final appropriation, which include amendments to the original appropriation, for each fund type by expenditure function and revenue source are presented in the *Combined Statement of Revenues, Expenditures and Changes in Fund Balances-Budget and Actual (non-GAAP Budgetary Basis)- All Governmental Fund Types*. The difference between the accrual and cash basis statements was not significant. The reserve for encumbrances is carried forward as part of the budgetary authority for the next year and is included in the revised budget amounts shown in the budget to actual comparisons.

Cash Equivalents: Investments of the cash management pool, and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents.

Investments with an initial maturity of more than three months are considered to be investments.

Inventory of Materials and Supplies: Inventory is valued at cost using the first-in, first-out method. Inventory is recorded as an expenditure/expense when consumed.

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, 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 government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

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 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 are depreciated using the straight line method over the following estimated useful lives:

- Furniture, fixtures and equipment 5 - 20 years
- Buildings, structures, improvements 20 - 40 years
- Land improvements (water and sewer lines) 40 years
- Infrastructure 20 - 40 years

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note B - Summary of Significant Accounting Policies
(Continued)

Use of Estimates: The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Grants and Other Intergovernmental Revenues: Local Government fund revenues are recorded as receivables and revenues when measurable and available. Assistance awards made on the basis of entitlement are recorded as intergovernmental receivables and revenues when entitlement occurs. Federal and State reimbursement type grants for the acquisition or construction of capital assets are recorded as receivables and contributed capital when the related expenses are incurred. All other Federal and State reimbursement type grants are recorded as receivables and revenues when the related expenditures/expenses are incurred.

Interfund Transactions: During the normal course of operations, the County has numerous transactions between funds. These transactions include charges for services provided by an Internal Service fund to other funds and operating transfers. Transfers represent transfers of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in Governmental Fund Types and as transfers in Proprietary Funds.

The Internal Service funds record charges for services to all County funds, departments and other governmental units as operating revenue. Both Governmental and Proprietary funds record these payments to the Internal Service funds as operating expenditures/expenses.

The County uses Internal Service Funds to account for self-funded insurance, central supplies,

vehicle maintenance, telephone, and centralized drug testing.

Compensated Absences: The County records accumulated unpaid vacation, overtime pay, and vested sick time benefits as accrued wages and benefits payable when earned by employees. The entire compensated absences liability is reported on the governmental-wide financial statements.

For governmental funds, the current portion of unpaid compensated absences is the amount that has matured, which means that there is a reimbursable leave still outstanding following an employee's resignation or retirement.

These amounts are recorded in the account "accrued wages and benefits" in the fund from which the employees who have accumulated unpaid leave are paid. The non-current portion of the liability is not reported.

Ohio law requires that vacation time not be accumulated for more than three years. Normally, all vacation time is to be taken in the year available unless administrative written approval for carryover is obtained. Unused vacation is payable upon termination of employment. Unused sick time may be accumulated until retirement. Employees with a minimum of ten years of service are paid one third of accumulated sick time upon retirement with a maximum of 40 days. In general, employees are eligible to be paid for unused compensatory time upon termination of employment. All sick, vacation and compensatory payments are made at employees' current wage rates, and paid from the fund where the time was accumulated.

Self-Funded Insurance: The County is self-funded for dental and health benefits. The dental program is administered by Health Care Payer's Coalition, which provides claims review and processing services. Each County fund is charged a proportionate share of the cost for covered employees. Payment of these benefits is accounted for in an internal service fund. The County records a liability for incurred but unreported

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note B - Summary of Significant Accounting Policies
(Continued)

Self-Funded Insurance: The County is self-funded for dental and health benefits. The dental program is administered by Health Care Payer's Coalition, which provides claims review and processing services. Each County fund is charged a proportionate share of the cost for covered employees. Payment of these benefits is accounted for in an internal service fund. The County records a liability for incurred but unreported claims at year end based upon an actuarial estimate provided by Benefits Comprehensive, Inc.

The County also maintains a Self-Funded Workers' Compensation fund and a Risk Retention fund to manage liability insurance County-wide. There have been no significant reductions in coverage from the prior year and settled claims have not exceeded commercial coverage in any of the last three years.

The County's Self-funded Workers' Compensation fund (an internal service fund) accounts for and finances its uninsured risks of loss for workers' compensation claims. Under this program, the Self-funded Workers' Compensation fund provides coverage for up to a maximum of \$300 thousand for each workers' compensation claim. The County will pay premiums to the State of Ohio Bureau of Workers' Compensation for claims in excess of coverage provided by the fund. In addition, the fund will pay assessments to the Bureau of Workers' Compensation for administration and payment of claims.

All funds of the County participate in the program and make payments to the Self-funded Workers' Compensation Fund based on their usage of the program to cover actuarial estimates of the amounts needed to pay current-year claims. The future retrospective premium liability of \$7.2 million reported in the fund at December 31, 2006 is based on the requirements of (GASB) Statement 10, 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. This liability includes an amount for future retrospective premium payments which approximate the claims

liability.

Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount.

Liabilities for losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using an expected future investment yield assumption of 5.25%.

Fund Balance Reservations and Designations: The County reserves portions of fund balances that are legally segregated for specific future uses or that do not represent available, spendable resources and, therefore, are not appropriable for expenditures. Designations of fund balances are amounts that have been designated by management for a specific future use, which are not legally segregated. Undesignated fund balances are not reserved nor designated and are appropriable in future periods.

Prepaid Items: Payments made to vendors for services that benefit future periods are recorded as prepaid items in both government-wide and fund financial statements. A current asset for the prepaid amount is recorded at the time of purchase, and the expenditure is reported in the year in which services are consumed.

Investment income is recorded in the General and Self-funded Health funds. Investment income in the General fund includes earning on all pooled investments.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note C- Reconciliation of Government-wide & Fund Financial Statements

I. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental fund, and net assets - governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore not reported in the funds." Details of this difference are as follows:

<i>Bonds payable</i>	\$67,167
<i>OWDA loans payable</i>	915
<i>OPWC loans payable</i>	2,112
<i>Capital leases payable</i>	1,201
<i>Landfill liability payable</i>	12,099
<i>Compensated absences</i>	<u>19,093</u>
<i>Net adjustment to reduce fund balance -total governmental funds to arrive at net assets - governmental funds</i>	<u>\$102,587</u>

II. Explanation of certain differences of between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in *fund balances - total governmental funds and changes in net assets of governmental activities*. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expenses."

The details of the difference are as follows:

<i>Capital outlay</i>	\$9,553
<i>Capital asset additions in excess of capital outlay</i>	10,872
<i>Depreciation expense</i>	<u>(24,088)</u>
<i>Net adjustments</i>	<u>(\$3,663)</u>

Another element of that reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effort on net assets." The details of this difference are as follows:

<i>OPWC Loan Proceeds</i>	\$(500)
<i>Proceeds of bonds</i>	(2,892)
<i>Principal retirement</i>	<u>8,071</u>
<i>Net adjustment</i>	<u>\$4,679</u>

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

**Note D - Pooled Cash & Cash Equivalents,
Segregated Cash, Investments, and Deposits**

Cash balances are combined into one pool for making daily cash and investment transactions. At December 31, 2006, the carrying amount of the County's cash and cash equivalents for all funds was \$54,631. Items in transit and outstanding checks caused the difference in the carrying amount of \$54,631 and the bank balance of \$67,363. Of the bank balance, \$1,899 was covered by federal depository insurance, \$34,142 was in a *Certificate of Deposit*, \$10,000 was in a money market account, and \$21,322 was insured by a financial institution collateral pool.

Investment income is recorded in the General fund. Investment income includes earnings on all pooled investments investment income earned during 2006 totaled approximately \$11.6 million.

The County Treasurer is permitted by Ohio law to deposit or invest County funds provided that they mature or are redeemable within two years from date of purchase. The Treasurer is permitted to invest or deposit in the following classification of obligations:

- 1) Obligations of, or backed by the faith of, the United States Government.
- 2) Obligations issued by and Federal agency.
- 3) Deposits in institutions eligible under Ohio law. All deposits are collateralized with eligible securities, as described by state statutes, which are pledged to a collateral pool for each individual financial institution, in amounts equal to at least 105% of the carrying value of all public deposits held by each institution.
- 4) Obligations of the State.
- 5) Repurchase agreements with institutions eligible under Ohio law not to exceed 30 days, where the institution agrees unconditionally to repurchase any of the securities listed in (1) or (2).

6) Commercial paper issued by any corporation incorporated under the laws of the United States or a state if both of the following conditions apply. Two nationally recognized rating agencies rank the commercial paper in either of their two highest categories; the total amount invested in commercial paper at any time does not exceed five per cent of the county's total average portfolio, as determined and calculated by the investing authority.

7) Bankers acceptances, if the following conditions are met: The acceptances mature in two hundred seventy days or fewer from the date of settlement; the acceptances are eligible for purchase by the federal reserve system; the total amount invested in bankers acceptances at any time does not exceed ten percent of the county's total average portfolio, as determined and calculated by the investing authority.

8) The State Treasurer's Investment pool (STAR Ohio). Investment authority for the State Treasurer's Investment pool is established by the Sate Legislature and reflected in the Ohio Revised Code.

9) No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions.

The County's investments are stated at fair value. Money market investments that mature within one year of acquisition and participating interest-earning investments that mature within one year are reported at amortized cost. The fair value of the position in STAR Ohio is the same as the value of the pool shares.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note D - Pooled Cash & Cash Equivalents,
Segregated Cash, Investments, and Deposits (continued)

The cost and fair values, exclusive of accrued interest, of investments at December 31, 2006, consisted of the following:

	2006		2005	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Treasury Bills	\$ 1,105	\$ 1,105	\$ 960	\$ 960
U.S. Agency Securities	<u>155,891</u>	<u>155,850</u>	<u>183,276</u>	<u>181,871</u>
	156,996	156,955	184,236	182,831
STAR Ohio	<u>43,736</u>	<u>43,736</u>	<u>23,072</u>	<u>23,072</u>
Total	<u>\$200,732</u>	<u>\$200,691</u>	<u>\$207,308</u>	<u>\$205,903</u>

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods are likely to be subject to more variability in their fair values as a result of future changes in interest rates. As of December 31, 2006,

the county had the following interest-bearing investments and maturities. The County's investment policy minimizes interest rate risk by diversifying assets and maturity dates while maintaining adequate liquidity to meet current obligations without a sale of securities.

<u>Investment Type</u>	<u>Investment Maturities (in years)</u>		
	<u>Fair Value</u>	<u>Less than 1 year</u>	<u>1-5 years</u>
U.S. T Bills	\$ 1,105	\$ 1,105	\$ -
U.S. Government Agency Securities	<u>155,850</u>	<u>58,171</u>	<u>97,679</u>
	156,955	59,276	97,679
STAR Ohio	<u>43,736</u>	<u>43,736</u>	-
Total	<u>\$200,691</u>	<u>\$103,012</u>	<u>\$ 97,679</u>

Credit Risk: Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. Credit quality information - as commonly expressed terms of the credit ratings issued by the nationally recognized statistical rating organizations (NRSRO's) such as Moody's Investors Service, Standard & Poor's, or Fitch Ratings, provides a current depiction of potential variable cash flows and credit risk. The County's investment policy allows for investments in U.S. agency securities, along with Banker's Acceptances and Commercial Paper that are rated AA + by two rating agencies, provided they do not exceed more than 5% of the portfolio. The County's investment in U.S. Treasury Bills and U.S. Agency Securities are all rated AAA by Standard & Poor's and AAA by Moody's. The investment in STAR Ohio is not rated.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. At December 31, 2006, the County had no exposure to foreign currency risk. The County does not have a formal policy addressing this risk.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the County will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. All of the County's investments are insured or registered, or the securities are held by the County or its agent in the County's name. The County's investment policy minimizes credit risk and custodial credit risk by (1) diversifying assets by issuer; (2) ensuring that required, minimum credit quality ratings exist prior to the purchase of commercial paper and bankers acceptances; and (3) maintaining adequate collateralization of CD's. The County's policy on deposits requires that they be insured by FDIC or collateralized by the financial institution.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note E - Due to / Due from other funds balances as of December 31, 2006 follow:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amounts in (000's)</u>
Job and Family Services	Children Services	\$ 914
General	Central Supplies	28
Children Services Board	Central Supplies	5
Nonmajor Governmental Funds	Central Supplies	15
General	Vehicle Maintenance	24
Nonmajor Governmental Funds	Vehicle Maintenance	12
General	County Telephone	47
Job and Family Services	County Telephone	16
Children Services Board	County Telephone	15
Mental Recovery & Recovery	County Telephone	1
Nonmajor Governmental Funds	County Telephone	19
Wastewater Treatment	County Telephone	1
Nonmajor Enterprise Funds	County Telephone	3
General	Centralized Drug Testing	<u>26</u>
Total		<u>\$1,126</u>

Due to / due from balances resulted from the routine lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in accounting system, and payments between funds are made.

Transfer From	<u>Transfer To</u>					Total
	Job and Family Services	Debt Service	Capital Projects	Nonmajor Governmental	Internal Service	
General	\$3,327	\$6,651	\$1,494	\$11,339	-	\$22,811
Job and Family Services	-	-	47	-	-	47
Nonmajor governmental	-	830	-	-	-	830
Internal Service Funds	-	-	-	-	<u>3,300</u>	<u>3,300</u>
<i>Total</i>	<u>\$3,327</u>	<u>\$7,481</u>	<u>\$1,541</u>	<u>\$11,339</u>	<u>3,300</u>	<u>\$26,988</u>

Transfers are used to 1) move revenues from the fund required by statute or budget to collect them to the fund required by statute or budget to expend them 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note F - Capital Assets

Construction-in-progress: As of December 31, 2006, the County's construction projects included the General Ledger and Procurement / Accounts Payable modules of the financial system with aggregate cost of \$4,882. Additionally, other costs included ADA Compliance Projects of \$1,408, modernization of the County's Voting System of \$1,089, and other miscellaneous projects totaling \$5,484.

The estimated cost to complete these projects, other than the Arena project is \$7,064. The cost to complete the Arena project has not yet been determined.

Capital asset activity for the County for the year ended December 31, 2006, appears on the following page. Depreciation expense was charged to functions and programs of the County as follows:

Governmental activities:	
General government	\$ 5,275
Public Safety	1,286
Public Works	15,366
Health	585
Human Services	1,530
Recreation	46
Internal Service	<u>33</u>
<i>Total depreciation expense - governmental activities</i>	<u><u>\$24,121</u></u>
Business-type activities:	
Water	\$ 1,716
Wastewater Treatment	798
Sewer	1,678
Other	<u>286</u>
<i>Total depreciation expense - business-type activities</i>	<u><u>\$ 4,478</u></u>

Activity for the discretely presented component units for the year ended December 31, 2006 as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Changes</u> <u>in Assets</u>	<u>Ending</u> <u>Balance</u>
	(Amounts in 000's)		
Capital assets, not being depreciated:			
Land	\$ 1,144	\$ (1)	\$ 1,143
Construction in progress	<u>411</u>	<u>1,432</u>	<u>1,843</u>
<i>Total capital assets, not being depreciated</i>	1,555	1,431	2,986
Capital assets being depreciated:			
Buildings, structures and improvements	16,540	394	16,934
Furniture, fixtures and equipment	<u>6,664</u>	<u>(3,045)</u>	<u>3,619</u>
<i>Total, capital assets being depreciated</i>	23,204	(2,651)	20,553
<i>Total accumulated depreciation</i>	<u>(7,382)</u>	2,134	<u>(5,248)</u>
<i>Total capital assets, being depreciated, net</i>	<u>15,822</u>	<u>(517)</u>	<u>15,305</u>
<i>Component units capital assets, net</i>	<u><u>\$17,377</u></u>	<u><u>\$ 914</u></u>	<u><u>\$18,291</u></u>

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(CONTINUED)
DECEMBER, 2006

Note F- Capital Assets (continued)	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 21,122	\$ 140	\$ -	\$ 21,262
Construction in progress	9,202	6,214	2,553	12,863
Total capital assets, not being depreciated	<u>30,324</u>	<u>6,354</u>	<u>2,553</u>	<u>34,125</u>
<i>Capital assets,being depreciated:</i>				
Buildings, structures, and improvements	207,017	5,142		212,159
Furniture, fixtures, and equipment	42,540	5,116	1,295	46,361
Infrastructure	309,029	6,470		315,499
Total capital assets being depreciated	<u>558,586</u>	<u>16,728</u>	<u>1,295</u>	<u>574,019</u>
Less accumulated depreciation for:				
Buildings, structures and improvements	72,878	4,766		77,644
Furnitures, fixtures and equipment	34,681	4,312	1,236	37,757
Infrastructure	229,295	15,043		244,338
Total accumulated depreciation	<u>336,854</u>	<u>24,121</u>	<u>1,236</u>	<u>359,739</u>
Total capital assets being depreciated,net	<u>221,732</u>	<u>(7,393)</u>	<u>59</u>	<u>214,280</u>
Governmental activities capital assets, net	<u>\$ 252,056</u>	<u>\$ (1,039)</u>	<u>\$ 2,612</u>	<u>\$ 248,405</u>
Business-Type Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 402	\$ 340		\$ 742
Construction in progress	14,042	-	14,042	-
Total capital assets, not being depreciated	<u>14,444</u>	<u>340</u>	<u>14,042</u>	<u>742</u>
<i>Capital assets,being depreciated:</i>				
Buildings, structures, and improvements	23,287	14,042		37,329
Land Improvements	133,011	3,206		136,217
Furniture, fixtures, and equipment	13,943	187	158	13,972
Total capital assets being depreciated	<u>170,241</u>	<u>17,435</u>	<u>158</u>	<u>187,518</u>
<i>Less accumulated depreciation for:</i>				
Buildings, structures and improvements	7,405	944		8,349
Land Improvements	51,525	3,295		54,820
Furnitures, fixtures and equipment	13,232	239	141	13,330
Total accumulated depreciation	<u>72,162</u>	<u>4,478</u>	<u>141</u>	<u>76,499</u>
Total capital assets being depreciated,net	<u>98,079</u>	<u>12,957</u>	<u>17</u>	<u>111,019</u>
Business-type activities capital assets, net	<u>\$ 112,523</u>	<u>\$ 13,297</u>	<u>\$ 14,059</u>	<u>\$ 111,761</u>

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note G - Notes Payable

All notes are backed by the full faith and credit of the County and mature within one year. The notes are issued in anticipation of long-term bonded financing, and the County intends to refinance the notes until such bonds are issued. All notes are in the capital projects fund. Notes outstanding at December 31, 2006 follow:

Note Issue	Rate	Beginning Balance	Issued	Redeemed	Ending Balance
Various purpose improvements	3.05%	\$ 6,105	\$ -	\$ 6,105	\$ -
Various purpose improvements	3.60%	-	4,915	-	4,915
<i>Total capital project notes</i>		<u>\$6,105</u>	<u>\$4,915</u>	<u>\$ 6,105</u>	<u>\$ 4,915</u>

Toledo Mud Hens Baseball Club, Inc. has available a \$500,000 line of credit with an interest rate at ½% less than the prime rate, which expires in March 2007. There was no outstanding debt at October 31, 2006. Preferred Properties, Inc. and Affiliates have various mortgages payable totaling \$183 secured by real estate with interest rates varying from 7% to 7.9%. Preferred Properties, Inc. has available a \$250 line of credit with an interest rate at 1.0% over prime (9.25% at June 30, 2006). Preferred Properties, Inc. has available an additional \$438 line of credit with an interest rate at 2.0% over prime (10.25% at June 30, 2006). At June 30, there was no outstanding debt on either line of credit.

Note H - Long-term Debt and Other Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note H - Long-term Debt and Other Obligations
(continued)

Long-term Bonds: All long-term debt issued for governmental purposes of the County and special assessment bonds are retired from the Debt Service Fund. General Obligation bonds are secured by the County's ability to levy a voted or unvoted property tax within limitations of Ohio Law.

The County issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental-type activities. The original amount of general obligation bonds issued in prior years was \$89 million. During the year no new general obligation bonds were issued.

Special assessment bonds are secured by an unvoted property tax levy; however, each bond resolution provides for principal and interest to also be paid from special assessment levied for the projects financed by those bonds and consequently those bonds are treated as "self-supporting."

The County issued \$2,166 of special assessment bonds in 2006 to provide funds for the construction of various sewers and water lines. These bonds will be repaid from amounts levied against the property owners benefitted by this construction. In the event property owners default on their special assessment obligations, the County is obligated to meet the debt service requirements from County funds. At December 31, 2006, the County had \$650 thousand set aside for the retirement of this debt. These funds are included in pooled cash and investments.

Under the Uniform Bond Act of the Ohio Revised Code, and not taking into account the equity in the debt service fund, the County has the capacity to issue approximately \$71.1 million of additional unvoted general obligation debt. Lott Industries, Inc., a discretely presented component unit of the County has bonds payable of \$3,605 that mature on August 1, 2021, with a variable interest rate that was 3.98% at December 31, 2006.

In 2006, the County issued \$726 of Sanitary Sewer No.772 (S.S. 772) Revenue Bonds, Series 2006 for the purpose of paying a portion of the cost of construction S.S. 772 in Jerusalem Township in the Lucas County Metropolitan Sewer & Water District. The S.S. 772 Revenue Bonds do not represent or constitute a general obligation debt or pledge of the full faith and credit or taxing power of the County. The S.S. 772 Revenue Bonds are special obligations of the County secured by, and payable solely from, net revenues (revenues less operating expense) generated from the operation of S.S. 772.

Nontax Revenue Bonds: In 2001, the County issued \$20 million of Nontax Revenue Bonds for a new baseball stadium which the County owns and leases to the Toledo Mud Hens Baseball Club, Inc. In 2001, the County also issued \$6 million of Nontax Revenue Notes for that project which were prepaid and retired in April, 2002. The Nontax Revenue Bonds do not represent or constitute a general obligation debt or pledge of the full faith and credit or taxing power of the County. The Nontax Revenue Bonds are special obligations of the County secured by, and payable solely from, the Nontax Revenues. The County has covenanted to appropriate in its annual appropriation measure for each year, and to pay to the Trustee for the Nontax Revenue Bonds by January 15, of such year, Nontax Revenues in an amount sufficient to pay all bond service charges due and payable on the Nontax Revenue Bonds during the then current year.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS - (continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note H - Long-term Debt and Other Obligations (continued)

Long-term Debt: Long-term debt and other obligations of the County were as follows

Years Issued	Interest Rate	Maturity Date through	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006	Amounts Due In One Year
Governmental activities:							
<i>General Obligation Bonds- Unvoted</i>							
1986 County public assistance building	8.000%	12/01/11	\$ 1,320	\$ -	\$ 220	\$ 1,100	\$ 220
1986 Convention center land	6.500%	12/01/12	2,370	-	335	2,035	335
1988 Family Court Center construction & Courthouse renovation	7.375%	08/01/07	1,750	-	875	875	875
1996 Correctional facilities	2.500%						
	5.375%	12/01/11	5,300	-	770	4,530	810
2001 Juvenile Justice Center	4.375%						
	5.000%	12/01/21	14,620	-	650	13,970	675
2002 Regional jail refunding	2.500%						
	2.750%	12/01/07	730	-	365	365	365
2003 Court of Appeals	2.250%						
	5.000%	12/01/23	5,840	-	235	5,605	240
2005 Current Refunding	3.500%						
	4.000%	12/01/25	3,005	-	230	2,775	265
<i>Total general obligation bonds</i>			34,935	-	3,680	31,255	3,785
<i>Special Assessment Bonds- Governmental Commitment (Self-Supporting)</i>							
1974 Waterline	7.625%	11/01/14	133	-	13	120	15
1987 Sanitary sewer	7.500%	12/01/07	30	-	15	15	15
1988 Sanitary sewer	7.500%	12/01/08	90	-	30	60	30
1989 Sanitary sewer	6.750%						
	7.000%	12/01/09	385	-	85	300	95
1990 waterline	6.800%						
	6.850%	12/01/10	155	-	25	130	30
1992 Sewers & waterlines	3.400%						
	6.650%	12/01/11	215	-	30	185	35
1992 Sewer & waterlines	3.400%						
	6.650%	12/01/12	470	-	55	415	60
1994 Sewer & waterlines	4.000%						
	6.050%	12/01/13	510	-	50	460	55
1995 Sewers & waterlines	4.300%						
	6.800%	12/01/14	400	-	35	365	35
1996 Sewers & waterlines	4.250%						
	6.500%	12/01/16	1,875	-	155	1,720	125
1997 Sewers & waterlines	4.900%						
	5.450%	12/01/17	865	-	50	815	50
1998 Sewers & waterlines	4.250%						
	5.000%	12/01/18	1,835	-	105	1,730	110
1999 Sewers & waterlines	4.000%						
	6.000%	12/01/19	430	-	20	410	20
2000 Sewers & waterlines	5.200%						
	5.600%	12/01/20	1,305	-	60	1,245	65
2001 Sewers & waterlines	4.100%						
	5.100%	12/01/21	1,365	-	65	1,300	65

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS - (continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note H - Long-term Debt and Other Obligations (continued)

<u>Years Issued</u>	<u>Interest Rate</u>	<u>Maturity Date through</u>	<u>Balance January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2006</u>	<u>Amounts Due in One Year</u>
Governmental activities:							
<i>Special Assessment Bonds- Governmental Commitment (Self-Supporting) (continued)</i>							
2002 Sewers & waterlines	2.500%						
	4.600%	12/01/22	940	-	40	900	40
2003 Sewers & waterlines	2.250%						
	5.000%	12/01/23	925	-	35	890	40
2004 Sewers & waterlines	3.000%						
	5.250%	12/01/24	1,500	-	60	1,440	60
2005 Sewers & waterlines	3.500%						
	4.250%	12/01/25	1,620	-	45	1,575	60
2005 Technology drive	3.500%						
	4.000%	12/01/15	765	-	60	705	70
2005 Technology drive	3.500%						
	4.250%	12/01/25	1,035	-	25	1,010	40
2006 Sewers & waterlines	4.100%						
	4.350%	12/01/26	-	1,230	-	1,230	25
2006 S. S. 772	4.500%	9/01/26	-	936	-	936	32
<i>Total special assessment bonds- governmental commitment-(self-supporting)</i>			<u>16,848</u>	<u>2,166</u>	<u>1,058</u>	<u>17,956</u>	<u>1,172</u>
Non-Tax Revenue Bonds							
2001 Baseball Stadium	6.375%						
	6.625%	12/01/21	17,865	-	635	17,230	680
Revenue Bonds							
2006 S. S. 772	4.500%	9/01/46	-	726	-	726	-
Total bonds			<u>\$69,648</u>	<u>\$2,892</u>	<u>\$5,373</u>	<u>\$67,167</u>	<u>\$5,637</u>
Ohio Water Development Authority (OWDA) Loans							
<i>Special Assessment- Governmental Commitment</i>							
1983-	7.380%						
1984 Sewers	7.670%	01/01/07	\$ 283	\$ -	\$ 43	\$ 240	\$ 23
1991 Sewers	6.160%						
	7.450%	07/01/11	749	-	355	394	37
1994 water	6.720%	07/01/19	295	-	14	281	7
<i>Total Ohio Water Development Loans</i>			<u>1,327</u>	<u>-</u>	<u>412</u>	<u>915</u>	<u>67</u>
Ohio Public Works Commission Loans							
<i>Governmental Commitment</i>							
1994 Road improvements	0.000%	07/01/05	23	-	23	-	-
1995 Road improvements	0.000%	07/01/06	19	-	19	-	-
1997 Road improvements	0.000%	07/01/07	33	-	22	11	11
1999 Road improvements	0.000%	07/01/10	184	-	44	140	22
2000 Road improvements	0.000%	07/01/11	470	-	96	374	48
2001 Road improvements	0.000%	01/01/11	226	-	42	184	21
2002 Road improvements	0.000%	01/01/12	616	-	93	523	45
2003 Road improvements	0.000%	01/01/13	459	-	54	405	27
2006 Road improvements	0.000%	01/01/16	-	500	25	475	25
<i>Total Ohio Public Works Commission Loans</i>			<u>\$2,030</u>	<u>\$500</u>	<u>\$418</u>	<u>\$2,112</u>	<u>\$199</u>

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS - (continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note H - Long-term Debt and Other Obligations (continued)

Years Issued	Interest Rate	Maturity Date through	Balance January 1, 2006	Additions	Deductions	Balance December 31, 2006	Amounts Due In One Year
Other Governmental Activities Obligations							
Capital lease Obligations							
Governmental			<u>\$ 3,022</u>	<u>\$ 47</u>	<u>\$ 1,868</u>	<u>\$ 1,201</u>	<u>\$ 1,108</u>
Accrued wages and benefits-governmental			<u>\$ 18,214</u>	<u>\$ 3,102</u>	<u>\$ 2,223</u>	<u>\$ 19,093</u>	<u>\$ 3,000</u>
Landfill obligation			<u>\$ 12,264</u>	<u>\$ 46</u>	<u>\$ 46</u>	<u>\$ 12,264</u>	<u>\$ 165</u>
Claims Payable			<u>\$ 10,606</u>	<u>\$ 11,185</u>	<u>\$ 10,606</u>	<u>\$ 11,185</u>	<u>\$ 6,235</u>
Governmental activity Long-term liabilities:			<u>\$ 117,111</u>	<u>\$ 17,772</u>	<u>\$ 20,946</u>	<u>\$ 113,937</u>	<u>\$ 16,411</u>
 Business-Type Activities:							
Ohio Water Development Authority (OWDA) Loans							
1984 Sewer system	6.240%	01/01/07	1,537	-	180	1,357	85
1980-	6.250%						
1984 Wastewater treatment	11.190%	07/01/13	1,121	-	122	999	63
1990 Water supply system	7.760%	01/01/10	197	-	44	153	24
1991 Water supply system	7.450%						
	7.500%	07/01/11	389	-	65	324	34
1993 Water supply system	6.160%	07/01/18	765	-	42	723	22
1994 Sewer system	6.720%	07/01/14	556	-	51	505	26
1994 Wastewater treatment	5.770%	07/01/15	7,065	-	580	6,485	298
1995 Water supply system	6.350%	01/01/21	385	-	16	369	9
1997 Water supply system	5.860%	07/01/17	1,260	-	80	1,180	41
1997 Sanitary Engineer	5.860%	07/01/17	1,166	-	74	1,092	38
2001 Water supply system	5.390%	01/01/21	1,064	-	47	1,017	24
2003 Water supply system	4.400%	01/01/13	216	-	27	189	14
2003 Water supply system	3.850%	07/01/13	157	-	19	138	9
2004 Wastewater treatment	3.850%	07/01/29	14,888	-	401	14,487	205
Total OWDA loans			<u>30,766</u>	<u>-</u>	<u>1,748</u>	<u>29,018</u>	<u>892</u>
 Ohio Public Works Commission Loans							
1994 Wastewater	0.000%	01/01/16	157	-	13	144	7
2004 Sewer system	0.000%	07/02/05	82	-	9	73	5
2005 Sewer system	0.000%	01/01/15	1,130	-	58	1,072	29
2006 Wastewater	0.000%	01/01/26	-	1,215	30	1,185	30
Total OPWC loans			<u>1,369</u>	<u>1,215</u>	<u>110</u>	<u>2,474</u>	<u>71</u>
Business-type activity Long-term liabilities			<u>\$ 32,135</u>	<u>\$ 1,215</u>	<u>\$ 1,858</u>	<u>\$ 31,492</u>	<u>\$ 963</u>

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS - (continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note H - Long-term Debt and Other Obligations (continued)

A summary of the County's future long-term debt funding requirements as of December 31, 2006 follows: (Amounts in 000's)

Year of Funding	Bonds					
	General Obligation		Special Assessment- Government Commitment		Non-Tax Revenue	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 3,785	\$ 1,545	\$ 1,172	\$ 873	\$ 680	\$ 1,145
2008	2,640	1,342	1,221	807	725	1,102
2009	2,735	1,209	1,248	746	780	1,056
2010	2,835	1,071	1,189	684	835	1,006
2011	2,935	924	1,205	627	895	953
2012-2016	7,754	3,105	5,972	2,237	5,525	3,805
2017-2021	7,676	1,365	3,962	950	7,790	1,662
2022-2026	895	66	1,987	224	-	-
Total	\$ 31,255	\$ 10,627	\$ 17,956	\$ 7,148	\$ 17,230	\$ 10,729

Year of Funding	Bonds Revenue	
	Principal	Interest
	2007	\$ -
2008	7	33
2009	7	32
2010	8	32
2011	8	32
2012-2016	47	153
2017-2021	58	141
2022-2026	73	127
2027-2031	90	109
2032-2036	113	87
2037-2041	140	59
2042-2046	175	24
Total	\$ 726	\$ 860

Year of Funding	Loans			
	OWDA		OPWC	
	Principal	Interest	Principal	Interest
2007	\$ 959	\$ 759	\$ 271	\$ -
2008	2,019	1,421	519	-
2009	2,133	1,307	519	-
2010	2,225	1,187	506	-
2011	2,290	1,062	404	-
2012-2016	9,376	3,506	1,230	-
2017-2021	4,318	1,753	609	-
2022-2026	3,894	948	528	-
2027-2031	2,719	186	-	-
Total	\$ 29,933	\$ 12,129	\$ 4,586	\$ -

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note H - Long-term Debt and Other Obligations
(continued)

Capital Lease Obligations: The County has a lease agreement for a portion of the Government Center. The lease is classified as a capital lease. The portion of the Government Center leased by the County has been recorded as land and building for \$16.9 million.

The County has entered into certain other agreements to lease equipment and other assets. Such agreements are, in substance, lease purchases (capital leases) and are classified as capital lease obligations in the financial statements.

Operating Leases: At December 31, 2006, the County had 1 operating lease for an automobile. Operating lease payments are recorded as expenditures/expenses for the current period. The County's operating lease expense in 2006 was \$13. The County's future minimum lease payments under lease obligations which have been capitalized and operating leases as of December 31, 2006 are as follows:

<u>Year</u>	<u>Government Activities Capital Leases</u>	<u>Operating Leases</u>
2007	\$ 1,141	\$ 2
2008	69	-
2009	25	-
2010	<u>4</u>	<u>-</u>
<i>Total minimum lease payments</i>	1,239	<u>\$ 2</u>
Less: amount representing interest	<u>38</u>	
<i>Present value of future minimum lease payments</i>	<u>\$ 1,201</u>	

Accrued Wages and Benefits: Unpaid vested hours at December 31, 2006 representing this liability for all governmental funds are as follows:

	<u>Hours</u>
Vacation	455
Sick	334
Compensation	26

Deferred Compensation: County employees have the option of participating in three state-wide deferred compensation plans, created in accordance with the *Internal Revenue Code Section 457*. Under these plans, employees elect to have a portion of their pay deferred until a future time. According to these plans, the deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS - (continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note H - Long-term Debt and Other Obligations
(continued)

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 these plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the participants and their beneficiaries.

Conduit Debt Obligations: From time to time, the County has issued Industrial Revenue Bonds, Hospital Facilities Bonds and Commercial Housing Revenue Bonds to provide financial assistance to private, profit and non-profit sector entities for the acquisition and construction of industrial, hospital and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, nor the State or any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2006 there were 162 series of Industrial, Hospital and Commercial Housing Revenue Bonds outstanding. The aggregate principal amount payable for the 21 series issued after January 1, 1995 was \$316,276. The aggregate principal amount payable for the 141 series issued and with bonds outstanding issued prior to January 1, 1995, could not be determined; however, their original issue amounts total \$1,350,587.

Note I - Employee Retirement Systems and Pension Plan

All eligible employees of the County participate in the Public Employees Retirement System of Ohio (PERS). Ohio Public Employees Retirement System (OPERS) administers three separate pension plans:

1) *The Traditional Pension Plan (TP)* - a cost-sharing multiple-employer defined benefit pension plan; 2) *The Member-Directed Plan (MD)* - a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20% per year). Under the Member-Directed Plan, members accumulate retirement assets equal to the value of member and (vested) employer contributions plus any investment earnings thereon; and 3) *The Combined Plan (CO)* - a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan.

Under the Combined Plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar in nature to the Traditional Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Plan and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by State statute under Chapter 145 of the Ohio Revised Code.

For 2006, 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. Law enforcement officers in the County Sheriff's department contribute 10.1% of their annual compensation and the County contributes 16.93% of the same base. The County is required to contribute 22.70% of annual compensation for employees of the County engineer based upon a contract with their respective union. All other eligible County employees contributed 9.0% of their annual compensation with the County contributing 13.70% of the same amount. The County's contribution to PERS for the years ending December 31, 2006, 2005, and 2004, were \$25.2 million, \$24.2 million, and \$23.2 million respectively, equal to the requested contribution for each year. All contributions to PERS were made within the required due dates. The Ohio Revised Code provides statutory authority for employee and employer contributions.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note J - Other Post-Retirement Obligations

In addition to pension benefits, OPERS provides retirement, disability, and survivor benefits as well as post-retirement health care coverage to qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

Health care benefits are not statutorily guaranteed, but OPERS provides OPEB benefits to its eligible members and beneficiaries. The Ohio Revised Code provides the statutory authority requiring public employees to fund post-retirement health care through their contributions to OPERS.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement to qualifying members of the Traditional Pension and the Combined Plans.

In order to qualify for post-employment health care coverage, age-and-service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB 45.

A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employers, the rate was 13.70% of covered payroll and 16.93% for law enforcement employers. The Ohio Revised Code currently limits the employer contribution to a rate not to exceed 14% of covered payroll for local employer units, and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

OPERS' Post Employment Health Care plan was established under, and is administered in accordance with Internal Revenue Code 401(h). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding of post employment health care benefits. For 2006, the employer contribution allocated to health care plan was 4.5% of covered payroll. The OPERS Retirement Board is also authorized to establish rules for payment for a portion of the health care benefits provided by the retirees or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected.

Actuarial Review – The following assumptions and calculations were based on OPERS' latest actuarial review performed as of December 31, 2005.

Funding Method - The individual entry age 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.

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

Investment Return - The investment assumption rate for 2005 was 6.5%.

Active Employee Total Payroll - An annual increase of 4.0%, 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 4.0% base increase, were assumed to range from 0.50% to 6.3%.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note J - Other Post-Retirement Obligations
(continued)

Health Care - Health care costs were assumed to increase at the projected wage inflation rate plus an additional factor ranging from .5% to 6% for the next 9 years. In subsequent years (10 and beyond), health care costs were assumed to increase 4.0% annually (the projected wage inflation rate).

OPEBs are advance-funded on an actuarially determined basis. At December 31, 2006, the number of active contributing participants in the Traditional and Combined Plans totaled 369,214. The number of active contributing participants for both plans used in the December 31, 2005 actuarial valuation was 358,804.

The rates stated above are the actuarially determined contribution requirements for OPERS. The employer contributions to fund post-employment benefits in 2006 were \$7.8 million. The portion of employer contributions used to fund post-employment benefits can be determined by multiplying actual employer contributions times .3285 for local government employers and .2658 for law enforcement employers.

The Actuarial Valuation of the Retirement System's net assets available for OPEB was \$11.1 billion at December 31, 2005 (the latest information available).

The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective January 1, 2007. In addition to the HCPP, OPERS took additional actions to improve the solvency of the Health Care Fund in 2005 by creating a separate investment pool for health care assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2006, and January 1, 2007 which will allow additional funds to be allocated to the health care plan. As no information has been provided by OPERS, management is unable to determine the impact of the adoption of GASB 43 "Financial Reporting for Post employment Benefit Plans other than Pensions" and GASB 45 "Accounting and Financial Reporting by Employers for Post Employment Benefit Plans other than Pensions." The OPERS issues a stand-alone financial reports. Interested parties may obtain a copy by calling either 614-222-5601 or 800-222-7377, or by writing to:

OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM
277 EAST TOWN STREET
COLUMBUS, OHIO 43215-4642

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS- (continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note K - Property Taxes, Sales Taxes, and Deferred Revenue

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 2006 were based is as follows:

Real Property and Public Utility	\$7,998,831
Tangible Personal Property	<u>680,481</u>
<i>Total assessed property value</i>	<u>\$8,679,312</u>

In 2006, real property taxes were levied on December 27, 2005, on the assessed values as of January 1, 2005, 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 during 2006.

Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 18.75% of true value (as defined). In 2006, each business was eligible to receive a \$10 thousand exemption in assessed value which was reimbursed by the State of Ohio.

Real property taxes are payable annually or semi-annually. In 2006, if paid annually, payment was due by January 31st. If paid semi-annually, the first payment (at least 1/2 of amount billed) was due January 31st, with the remainder due July 31st.

By the final collection date in July 2006, 93.8% of the total current and delinquent property taxes billed in 2006 were collected.

The County Auditor remits portions of the taxes collected to all taxing districts when completing 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.

The delinquent real property taxes outstanding and available to the County within the first 60 days of 2007 were recorded as 2006 revenue, the remaining taxes receivable are offset by a credit to deferred revenue. Although total property taxes levied for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31, 2006 and are not available for appropriation and use until 2007. The deferred revenues are offset by these property tax receivables and special assessment receivables related to future capital service projects.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS- (continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note K - Property Taxes, Sales Taxes, and De-ferred Revenue (continued)

In 1970, the County Commissioners, by resolution, imposed a .5% tax on all retail sales, including mo-tor vehicles, made in the County. In 1982, the County commissioners increased the sales tax by .5% to 1%. In November 1993, Lucas County voters approved a permanent increase of .25% to 1.25% in the sales tax.

Proceeds of the tax are credited entirely to the General Fund. Amounts that have been col-lected by the State and are to be received within 60 days of year end are accrued as revenue, as measurable and available. Sales tax revenue for 2006 amounted to \$71,271.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month fol-lowing collection The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commis-sioner's certification must be made within forty-five (45) days after the end of each month. The State Auditor then has five (5) days in which to draw the warrant payable to the County.

Ohio law prohibits taxation of property from all taxing authorities in excess of 10.00 mills of as-sessed value without a vote of the people. Pres-ently, the County levies 2.00 mills of the 10.00 mill limit for the General Fund.

An additional 14.85 mills have been levied for voted millage. A summary of voted millage follows:

<u>Purpose</u>	<u>Voter Authorized Rate (a)</u>	<u>Rate Levied for Current Year Collection(b)</u>	<u>Commercial/ Industrial</u>	<u>Final Collection Year</u>
Senior Services	.45	.448408	.450000	2009
Metroparks	1.70	1.234963	1.571154	2008/2012
Mental Health	1.50	1.195843	1.408478	2009/2014
BMR/DD	5.00	3.413720	4.356263	Continuous
Children Services	2.40	2.082829	2.394281	2006/2008
Port Authority	.40	.237058	.357334	2009
Library	2.00	1.492048	1.906095	2007
Zoo Operating	.70	.607171	.698332	2007
911 Telephone	.70	.607171	.698332	2006
Total	<u>14.85</u>	<u>13.319211</u>	<u>15.840269</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 voted levies are subject to change.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS- (continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note L - Reconciliation of Budget Basis to GAAP Basis

A reconciliation for the major governmental funds at December 31, 2006 from the budget basis to a GAAP basis for net change in fund balance follows:

	<u>General Fund</u>	<u>Children Services Board</u>	<u>Board of Mental Retardation</u>	<u>Job and Family Services</u>	<u>Mental Health & Recovery</u>
Budget Basis	(\$195)	(\$2,719)	\$6,743	(\$11,609)	(\$8,187)
Net adjustments for revenue accruals	1,788	1,275	2,099	(257)	2,653
Net adjustments for expenditure accruals	1,814	200	27	964	237
Net adjustment for encumbrances	1,503	740	5,282	2,018	6,947
Net adjustments for other financing sources (uses) accruals	<u>(1,262)</u>	-	-	<u>(47)</u>	-
GAAP Basis	<u>\$3,648</u>	<u>(\$504)</u>	<u>\$14,151</u>	<u>(\$8,931)</u>	<u>\$1,650</u>

**Note M - Amendments to Original Appropriations
Budget**

Amendments beyond the object level must be approved by the Board of County Commissioners. In 2006, the original appropriation measure for Job & Family Services was increased by the Commissioners by \$9.7 million. The increase was due to additional funding made available by the Ohio Department of Job & Family Services for the Temporary Assistance for Needy Families program and for the increase in other contractual services that are fully reimbursable by the State of Ohio.

Note N - Contingencies

The County owns and operated a landfill site located in the western portion of the County. The site accepted solid waste from a number of private and industrial waste haulers from 1954 to its closure in 1976. A solid waste transfer station was operated from May 1980 through July 1991. This site is now closed and the County no longer operates a landfill. State and federal laws require the County to cleanup monitor and maintain the site.

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note N - Contingencies (continued)

The County engaged a consultant to complete a study regarding the cleanup, monitoring and maintenance of the site. This study will be subject to review by the Ohio Environmental Protection Agency. The study estimates approximately \$12.2 million will be needed to enact the plan, of which approximately \$165 of the costs are to be incurred in the next year. The current liability of \$165 is included in long-term liability due within a year in the Capital Projects Fund with the remaining \$12,099 recorded as a long-term liability due in more than one year. Actual cost may be higher due to inflation, changes in technology, or changes in regulations. Funding is expected to be obtained from the issuance of General Obligation notes or bonds, and from the State Infrastructure Bond Fund. Other potential sources of revenue include indemnification by generators for response costs incurred.

The County is a defendant in a number of other claims and lawsuits which may be classified as routine litigation. In addition, the County is a defendant in numerous other claims and lawsuits ranging from tort liability to civil rights litigation. Management believes that any settlement related to these claims and lawsuits will not have a material adverse effect on the financial position of the County.

The County participates in a number of Federal and State assisted grant programs. The major programs are through: Ohio Department of Alcohol and Drug Addiction; Community Development Block Grant; Ohio Department of Human Services; and Ohio Department of Mental Health. These programs are subject to financial and compliance audits by grantors or their representatives. Audits of certain programs have been completed under guidance of OMB Circular A-133 and are included in a separately issued report. There were no material instances of noncompliance or findings noted within these reports. There were, however, immaterial instances of noncompliance noted. The major programs are also subject to audit by federal or state grantor agencies. The ultimate obligations that may arise from cost disallowances or non-compliance with program requirements can not be estimated.

Note O - Joint Venture

Lucas County has entered into a contractual agreement with the City of Toledo, Defiance County, Fulton County, Henry County, and Williams County to form the Corrections Commission of Northwest Ohio to operate a regional jail in northwestern Ohio. Each entity is responsible for a portion of the capital and operating budget as follows:

City of Toledo	35.65%
Lucas County	31.84%
Defiance County	9.35%
Fulton County	8.65%
Williams County	8.65%
Henry County	5.86%
	<u>100.00%</u>

The Corrections Commission of Northwest Ohio is an 18 member board made up of the president of the Board of County Commissioners, Sheriff, presiding judge of the Court of Common Pleas for each County, the Mayor, Chief of Police, and presiding Municipal Court Judge for The City of Toledo. Each participating entity has an equal degree of control over budgeting and financing.

All debt for the construction of the jail was incurred by the participating governmental agencies, and are not liabilities of the Corrections Commission of Northwest Ohio. Lucas County has approximately \$365 of bonds outstanding at year end for construction of the regional jail.

Complete financial statements of the Corrections Commission of Northwest Ohio can be obtained from its administrative office as follows:

CORRECTIONS COMMISSION OF NORTHWEST OHIO
 03151 ROAD 24.25 RT. 1, BOX 100-A
 STRYKER, OHIO 43557

LUCAS COUNTY, OHIO
NOTES TO THE FINANCIAL STATEMENTS-(continued)
DECEMBER 31, 2006
(Amounts in 000's)

Note P - Risk Management

Self-Funded Insurance: The County is self-funded for dental, prescription drug, and health benefits. The programs are administered by a third party, which provides claims review and processing services. Each County fund is charged for its proportionate share of the cost for covered employees. Payment of these benefits is accounted for in internal service funds. The County records a liability for incurred but unreported claims at year end based upon an actuarial estimate provided by Benefits Comprehensive, Inc. The County also maintains a Self-Funded Workers' Compensation fund and a Risk Retention fund to manage liability insurance County-wide. Settled claims have not materially exceeded coverage in any of the last three years and there was no significant reduction in coverage from the prior year.

The claims liability of 11.2 million reported in the internal service funds at December 31, 2006, is based on the requirements of GASB Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported (see table below). Changes in the funds' claims liability amounts for 2006 and 2005 were:

Note Q - Deficit Fund Balances

At December 31, 2006, the special revenue funds Job and Family Services, Workforce Development Agency, and Community MR/RES Services had deficit balances of \$3,174, \$4,124, and \$443 respectively on the Non-GAAP Budgetary basis. These deficits occurred due to the timing of intergovernmental revenue and were eliminated on an accrual basis.

Note R - Prior Period Adjustment

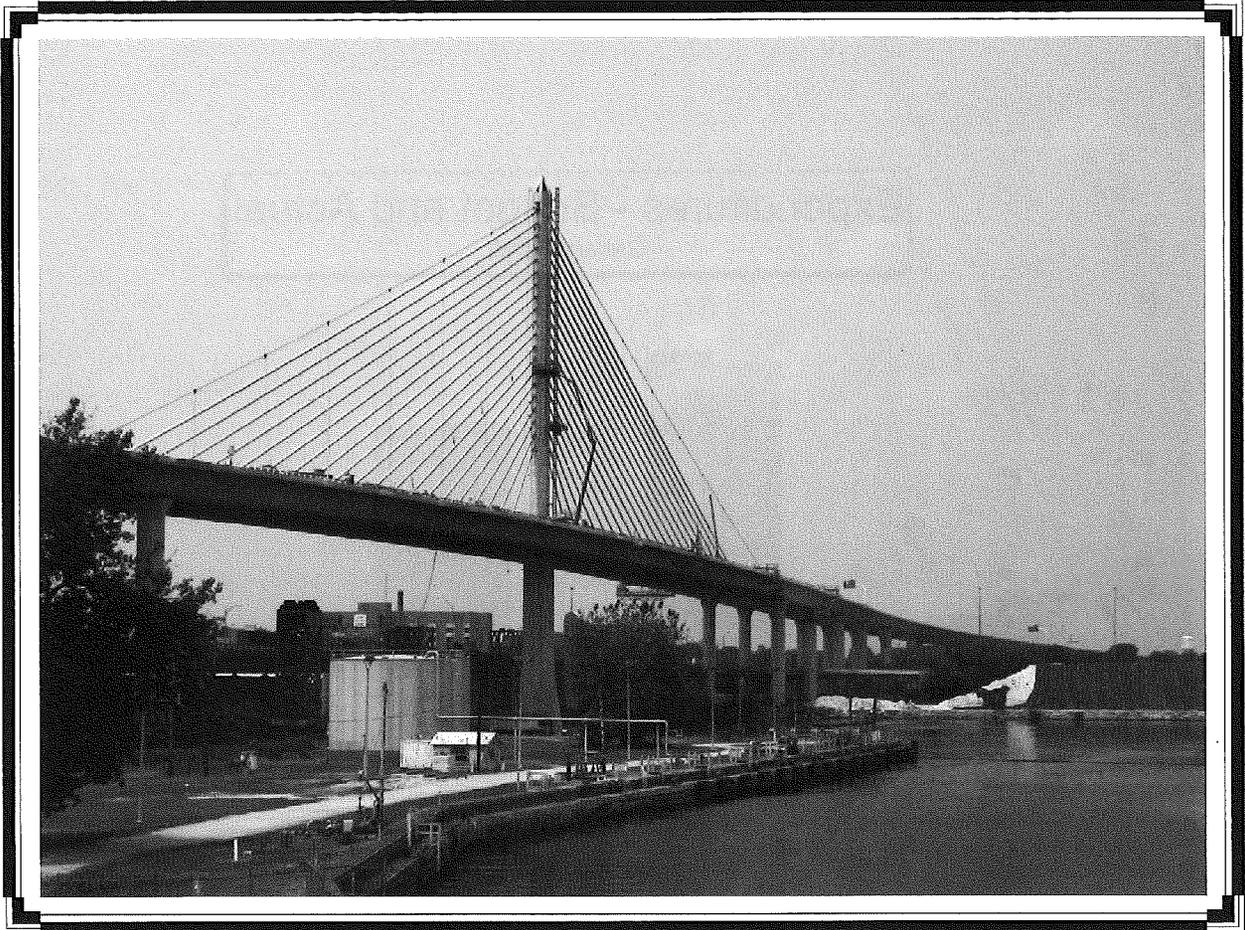
Preferred Properties, Inc, a component unit of the County, restated its ending balance at the end of 2005 to correct an error capitalizing amounts previously recorded as grant expense. The December 31, 2005, balance of \$5,113 was restated to \$9,426 as of January 1, 2006, for the correction of an error.

Note S - Subsequent Event

On May 15, 2007 Lucas County issued \$18,500,000, 5 yr, 4.5% General Obligation Notes. The proceeds are intended to be used to begin construction of a new arena in downtown Toledo. The notes were purchased by the County Treasurer, and are included with its investment portfolio.

	<u>Balance at Beginning of Year</u>	<u>Current Years Claims</u>	<u>Change in Provision for for Workers Compensation Claims</u>	<u>Claim Payment</u>	<u>Balance at End of Year</u>
2005	\$8,773	\$31,375	\$1,524	\$31,066	\$10,606
2006	\$10,606	\$37,426	(\$459)	\$36,388	\$11,185

Combining Financial Statements and Schedules



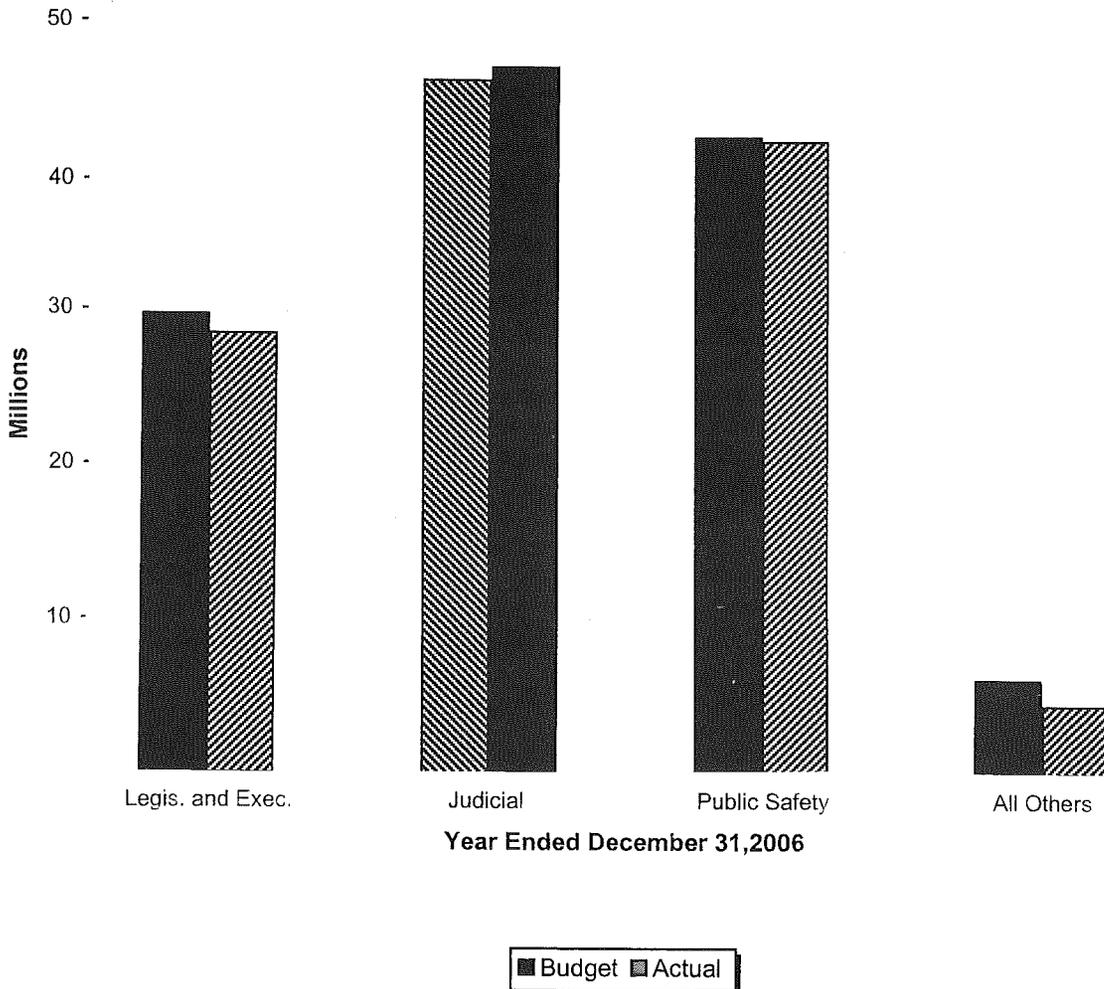
Maumee River Crossing

The I-280 Maumee River crossing located near Downtown Toledo is a six-lane, cable-stayed structure with a signature design that

is opening in the summer of 2007. When completed, total construction costs will have exceeded \$220 million.

LUCAS COUNTY, OHIO
GENERAL FUND
December 31, 2006

Expenditures - Budget and Actual
General Fund



General Fund – The General Fund accounts for all financial resources and expenditures except for those to be accounted for in other funds or account groups.

LUCAS COUNTY, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General Government-				
Legislative and executive				
<i>Department of Personnel-</i>				
Personal services	679	683	675	8
Materials and supplies	10	12	11	1
Charges and services	91	85	76	9
Capital outlay and equipment	3	3	3	-
<i>Commissioners-</i>				
Personal services	529	531	529	2
Materials and supplies	13	13	12	1
Charges and services	50	50	43	7
Capital outlay and equipment	2	1	1	-
<i>Management and Budget-</i>				
Personal services	366	360	329	31
Materials and supplies	5	5	5	-
Charges and services	34	39	34	5
Capital outlay and equipment	5	8	6	2
<i>Auditor-</i>				
Personal services	1,449	1,499	1,494	5
Materials and supplies	83	68	62	6
Charges and services	220	299	276	23
Capital outlay and equipment	2	14	13	1
<i>Auditor Personal Property-</i>				
Personal services	445	380	366	14
Materials and supplies	6	6	4	2
Charges and services	21	21	20	1
Capital outlay and equipment	1	7	5	2
<i>Auditor Real Property Evaluation-</i>				
Personal services	780	782	768	14
Materials and supplies	9	14	14	-
Charges and services	15	15	13	2
Capital outlay and equipment	-	-	-	-

**LUCAS COUNTY, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -(continued)
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance:
	<u>Original</u>	<u>Final</u>		Positive (Negative)
General Government - continued				
<i>Legislative and executive - continued</i>				
<i>Treasurer-</i>				
Personal services	1,015	922	909	13
Materials and supplies	21	21	13	8
Charges and services	230	322	296	26
Capital outlay and equipmen	-	-	-	-
<i>Treasurer Personal Property-</i>				
Personal services	132	131	128	3
Materials and supplies	6	7	7	-
Charges and services	20	20	9	11
<i>Budget Commission-</i>				
Personal services	95	95	82	13
Materials and supplies	-	-	-	-
Charges and services	-	-	-	-
<i>Board of Revision-</i>				
Personal services	156	168	151	17
Materials and supplies	9	9	6	3
Charges and services	2	-	-	-
Capital outlay and equipment	-	-	-	-
<i>Audit-</i>				
Charges and services	203	223	203	20
<i>Planning Commission-</i>				
Charges and services	484	484	484	-
<i>Data Processing-</i>				
Personal services	2,296	2,296	2,256	40
Materials and supplies	23	21	15	6
Charges and services	1,802	1,477	1,348	129
Capital outlay and equipment	57	226	209	17
<i>Collect CT Costs-</i>				
Personal services	-	-	-	-
Materials and supplies	1	2	2	-
Charges and services	6	5	5	-
Capital outlay and equipment	-	-	-	-

**LUCAS COUNTY, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -(continued)
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Hotel Motel Administration-</i>				
Personal services	62	68	68	-
Materials and supplies	2	2	1	1
Charges and services	6	6	5	1
Capital outlay and equipment	3	1	1	-
<i>County Administrator-</i>				
Personal services	478	519	519	-
Materials and supplies	7	7	6	1
Charges and services	22	15	12	3
Capital outlay and equipment	1	1	1	-
<i>Support Services-</i>				
Personal services	355	352	332	20
Materials and supplies	6	6	6	-
Charges and services	9	12	12	-
Capital outlay and equipment	2	2	2	-
<i>Board of Elections-</i>				
Personal services	1,501	1,728	1,683	45
Materials and supplies	265	321	310	11
Charges and services	889	1,048	935	113
Capital outlay and equipment	12	134	133	1
<i>Building Operations-</i>				
Charges and services	6,875	6,539	6,260	279
Capital outlay and equipment	7	30	23	7
<i>Facilities-</i>				
Personal services	3,756	3,756	3,638	118
Materials and supplies	238	236	225	11
Charges and services	1,094	1,224	1,177	47
Capital outlay and equipment	40	25	21	4
<i>Recorder-</i>				
Personal services	820	823	802	21
Materials and supplies	15	15	15	-
Charges and services	18	18	14	4
Capital outlay and equipment	-	-	-	-

**LUCAS COUNTY, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -(continued)
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government - continued				
<i>Legislative and executive - continued</i>				
<i>Dept. of Public Service-</i>				
Personal services	20	20	17	3
Materials and supplies	-	-	-	-
Charges and services	2	2	-	2
Capital outlay and equipment	-	-	-	-
 <i>Centralized Records Center-</i>				
Personal services	109	111	108	3
Materials and supplies	6	5	4	1
Charges and services	135	135	132	3
Capital outlay and equipment	10	10	2	8
 <i>Taxes-</i>				
Charges and services	200	218	184	34
 <i>Insurance-</i>				
Personal services	76	76	48	28
Charges and services	965	965	926	39
 <i>Other-</i>				
Charges and services	121	121	107	14
 <i>Total legislative and executive</i>	 29,503	 29,875	 28,611	 1,264
 Judicial				
<i>Prosecutor-</i>				
Personal services	5,401	5,525	5,486	39
Materials and supplies	56	55	50	5
Charges and services	131	126	124	2
Capital outlay and equipment	17	24	23	1
 <i>Court Rehabilitation & Correction-</i>				
Personal services	459	426	416	10
Materials and supplies	16	15	14	1
Charges and services	44	44	38	6
Capital outlay and equipment	9	9	9	-
 <i>Court of Appeals-</i>				
Materials and supplies	44	45	42	3
Charges and services	444	461	409	52
Capital outlay and equipment	25	32	32	-

**LUCAS COUNTY, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -(continued)
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

General Government - continued	Budgeted Amounts		Actual	Variance: Positive (Negative)
	Original	Final		
<i>Judicial - continued</i>				
<i>Common Pleas Court-</i>				
Personal services	3,329	3,297	3,288	9
Materials and supplies	78	69	66	3
Charges and services	293	294	268	26
Capital outlay and equipment	36	36	34	2
<i>Work Release-</i>				
Personal services	1,786	1,782	1,762	20
Materials and supplies	68	68	64	4
Charges and services	196	194	188	6
Capital outlay and equipment	34	37	30	7
<i>Jury Commission-</i>				
Personal services	89	89	87	2
Materials and supplies	21	25	25	-
Charges and services	190	290	287	3
Capital outlay and equipment	1	-	-	-
<i>Adult Probation-</i>				
Personal services	1,502	1,461	1,445	16
Materials and supplies	183	180	175	5
Charges and services	31	29	26	3
Capital outlay and equipment	8	13	13	-
<i>Pretrial Presentence Division-</i>				
Personal services	1,960	2,029	2,021	8
Materials and supplies	174	169	151	18
Charges and services	54	58	49	9
Capital outlay and equipment	4	6	6	-
<i>Domestic Relations Court-</i>				
Personal services	2,675	2,729	2,726	3
Materials and supplies	16	17	16	1
Charges and services	157	175	173	2
Capital outlay and equipment	4	10	10	-
<i>Juvenile Court-</i>				
Personal services	7,736	7,833	7,774	59
Materials and supplies	231	256	252	4
Charges and services	367	368	346	22
Capital outlay and equipment	36	12	8	4

**LUCAS COUNTY, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -(continued)
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance:
	<u>Original</u>	<u>Final</u>		Positive (Negative)
General Government - continued				
<i>Judicial - continued</i>				
<i>Common Pleas Security-</i>				
Personal services	1,133	1,224	1,212	12
Materials and supplies	4	5	4	1
Charges and services	20	20	10	10
Capital outlay and equipment	5	9	9	-
<i>Detention Home-</i>				
Personal services	3,214	3,400	3,400	-
Materials and supplies	202	183	177	6
Charges and services	658	650	647	3
Capital outlay and equipment	9	11	11	-
<i>Probate Court-</i>				
Personal services	2,049	2,085	2,039	46
Materials and supplies	16	16	15	1
Charges and services	51	56	43	13
Capital outlay and equipment	-	-	-	-
<i>Integrated Justice System-</i>				
Personal services	128	172	170	2
Materials and supplies	2	2	1	1
Charges and services	237	270	264	6
Capital outlay and equipment	15	13	12	1
<i>Clerk of Courts-</i>				
Personal services	2,002	2,090	2,052	38
Materials and supplies	301	316	303	13
Charges and services	78	78	72	6
Capital outlay and equipment	12	16	16	-
<i>Community Supervision-</i>				
Personal services	644	783	776	7
Materials and supplies	8	11	10	1
Charges and services	159	146	126	20
Capital outlay and equipment	3	5	5	-
<i>Public Defenders</i>				
Charges and services	4,671	5,027	4,867	160
<i>Municipal Courts-</i>				
Personal services	721	717	665	52
Charges and services	125	129	120	9

**LUCAS COUNTY, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -(continued)
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
General Government - continued				
<i>Judicial - continued</i>				
<i>Law Library-</i>				
Personal services	119	124	117	7
<i>Other-</i>				
Charges and services	-	-	-	-
<i>Total judicial</i>	44,491	45,846	45,076	770
Public safety				
<i>Medical Corrections-</i>				
Personal services	892	906	904	2
Materials and supplies	22	27	26	1
Charges and services	686	454	398	56
Capital outlay and equipment	2	6	6	-
<i>Coroner-</i>				
Personal services	1,054	1,081	1,081	-
Materials and supplies	11	11	11	-
Charges and services	66	66	65	1
Capital outlay and equipment	-	10	10	-
<i>Sheriff - Corrections Center-</i>				
Personal services	17,614	18,840	18,840	-
Materials and supplies	276	295	294	1
Charges and services	1,339	1,158	1,079	79
Capital outlay and equipment	24	20	20	-
<i>Sheriff - Law Enforcement-</i>				
Personal services	5,512	5,674	5,643	31
Materials and supplies	165	193	193	-
Charges and services	673	486	484	2
Capital outlay and equipment	11	10	10	-
<i>Sheriff - Administration</i>				
Personal services	2,226	2,346	2,333	13
Materials and supplies	40	37	37	-
Charges and services	618	631	630	1
Capital outlay and equipment	5	5	5	-

**LUCAS COUNTY, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -(continued)
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public safety - continued				
<i>Public Safety Court Security-</i>				
Personal services	3,972	3,983	3,975	8
Charges and services	38	25	25	-
<i>Incarceration Facility-</i>				
Charges and services	4,535	4,535	4,421	114
<i>Other-</i>				
Charges and services	539	538	538	-
<i>Total public safety</i>	40,320	41,337	41,028	309
Public works				
<i>Engineer-</i>				
Personal services	175	184	184	-
Materials and supplies	8	8	8	-
Charges and services	96	92	65	27
Capital outlay and equipment	-	1	-	1
<i>Ditch Maintenance-</i>				
Personal services	-	-	-	-
Charges and services	82	82	26	56
<i>Total public works</i>	361	367	283	84
Health				
<i>Health Services-</i>				
Charges and services	1,106	887	721	166
<i>Registration of Vital Statistics-</i>				
Charges and services	9	9	-	9
<i>Total health</i>	1,115	896	721	175

**LUCAS COUNTY, OHIO
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -(continued)
(NON-GAAP BUDGETARY BASIS)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance: Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Human services				
<i>Veterans Service Commission-</i>				
Personal services	552	518	504	14
Materials and supplies	13	14	12	2
Charges and services	1,182	1,183	1,028	155
Capital outlay and equipment	13	45	34	11
<i>Veterans Service-</i>				
Charges and services	25	25	24	1
<i>Other-</i>				
Charges and services	-	-	-	-
<i>Total human services</i>	1,785	1,785	1,602	183
Conservation and recreation				
<i>Recreation-</i>				
Personal services	132	172	172	-
Materials and supplies	21	36	32	4
Charges and services	487	477	425	52
Capital outlay and equipment	10	12	12	-
<i>Agriculture-</i>				
Charges and services	326	326	326	-
<i>Other-</i>				
Charges and services	-	-	-	-
<i>Total conservation and recreation</i>	976	1,023	967	56
Miscellaneous				
<i>Contingencies-</i>				
Charges and services	735	986	36	950
<i>Other-</i>				
Charges and services	448	1,080	901	179
<i>Total miscellaneous</i>	1,183	2,066	937	1,129
<i>Total expenditures</i>	<u>\$ 119,734</u>	<u>\$ 123,195</u>	<u>\$ 119,225</u>	<u>\$ 3,970</u>

The Most Famous Buns in the Midwest!



Tony Packo's Cafe is located in the Hungarian/Polish neighborhood on the east side of Toledo, Ohio. Since opening in 1932 with its signature "Hungarian hot dog", Tony Packo's Cafe gained world-wide fame with its Hollywood connection (Jamie Farr from the televi-

sion show M*A*S*H) and the tradition of "bun signing" of celebrities and presidential candidates who visit the restaurant. The inside walls of Tony Packo's are covered with autographed buns!

LUCAS COUNTY, OHIO
NONMAJOR GOVERNMENTAL
December 31, 2006

Special Revenue Funds- The Special Revenue funds account for all specific financial resources (other than expendable trusts, or major capital projects) that are legally restricted for specified expenditure purposes. The following are the Special Revenue funds which Lucas County operates:

Community Development Grant- To account for federal, state, and local grants used for community development.

Real Estate Assessment- To account for state mandated county-wide real estate reappraisals.

Motor Vehicle and Gas Tax- To account for monies received by the County for State gasoline tax and vehicle registration fees used for county road and bridge improvements programs.

Emergency Medical Services- To account for emergency medical care financed by a county-wide sales tax.

Emergency Telephone System- To account for a County-wide property tax levy used for emergency telephone assistance.

Senior Services- To account for a county-wide property tax levy used for senior services.

Workforce Development- To account for federal and state grants used to administer various programs for workforce development.

Zoo Operating- To account for a county-wide property tax levy. Monies are distributed directly to the Toledo Zoological Society.

Child Support Enforcement Agency- To account for revenues from: fees, fines, federal and state grants and other similar revenue sources, and to account for legally restricted expenditures used for the collection and protection of support payments made and owed to parents and children.

Capital Projects Funds- Capital Projects funds account for financial resources to be used for the construction of acquisition of major capital facilities (other than those finances by proprietary funds and trust funds). The following are the Capital funds which Lucas County operates:

Other Special Revenue Funds- To account for revenues from: fees, taxes, fines, federal and state grants, licenses and other similar revenue sources, and to account for legally Restricted expenditures for specified purposes. Summarized information on the financial activity and balances of the following Special Revenue funds include:

- Dog and Kennel
- Hotel Lodging Tax
- Coroner's Lab Fund
- Marriage License
- Law Enforcement Drug Fund
- Delinquent Real Estate Tax and Assessment Collection Fund
- Tax Installment Payment Plan
- Emergency Planning Fund
- Indigent Guardianship
- Community MIREs Services
- Economic Development
- Indigent Drivers
- Probation Service
- Motor Vehicle Enforcement and Education
- Building Regulations
- Certificate of Title Administration
- Recorder Equipment
- Juvenile Treatment Center
- Juvenile Felony Care
- Adult Probation Grant
- Correctional Treatment Facility
- Common Pleas Civil Mediation
- Sheriff's Policing
- Administration of Justice
- Local Government
- Communication System
- Toxicology Lab
- Emergency Management Agency
- Concealed Handgun
- Juvenile Indigent Drivers
- Tax Certificate Administration

When compared to combined Special Revenue fund totals, other special revenue funds comprise less than 10% in each of the following categories: assets, liabilities, revenues and expenditures.

Permanent Zoo Improvements- To account for a County-wide property tax levy used for renovation and construction of buildings, facilities and infrastructure for the Toledo Zoo.

**LUCAS COUNTY, OHIO
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2006
 (Amounts in 000's)**

Nonmajor Special Revenue Funds

	Community Development Grant	Real Estate Assessment	Motor Vehicle and Gas Tax	Emergency Medical Services	Emergency Telephone System
ASSETS					
Pooled cash and cash equivalents	\$ 64	\$ 77	\$ 235	\$ 57	\$ 449
Pooled investments	1,011	1,213	3,680	901	7,039
Receivables (net of allowance for uncollectables)					
Taxes					6,224
Accounts			305		323
Loans	24				
Due from other funds					
Due from other governments	349		6,110		283
Inventory of materials and supplies			689		
Total assets	<u>\$ 1,448</u>	<u>\$ 1,290</u>	<u>\$ 11,019</u>	<u>\$ 958</u>	<u>\$ 14,318</u>
LIABILITIES					
Accounts payable	\$ 379	\$ 308	\$ 445	\$ 431	\$ 143
Accrued wages and benefits	17	69	156	39	15
Due to pooled cash and cash equivalents					
Due to other funds	5	2		9	
Deferred revenue			4,260		6,575
Total liabilities	<u>401</u>	<u>379</u>	<u>4,861</u>	<u>479</u>	<u>6,733</u>
Fund balances:					
Reserved for:					
Encumbrances	672	379	1,213	185	320
Inventory			689		
Loans receivable	24				
Unreserved undesignated	351	532	4,256	294	7,265
Total fund balances	<u>1,047</u>	<u>911</u>	<u>6,158</u>	<u>479</u>	<u>7,585</u>
Total liabilities and fund balances	<u>\$ 1,448</u>	<u>\$ 1,290</u>	<u>\$ 11,019</u>	<u>\$ 958</u>	<u>\$ 14,318</u>

Senior Services	Workforce Development	Zoo Operating	Child Support Enforcement Agency	Other Special Revenue Funds	Total	Capital Project	Total Nonmajor Governmental Funds
						Permanent Zoo Improvements	
\$ 25		\$ 21	\$ 43	\$ 1,401	\$ 2,372	\$ 23	\$ 2,395
390		324	679	21,484	36,721	365	37,086
3,980		7,550			17,754	8,578	26,332
			109	196	933		933
					24		24
					0		0
170	2,131	375		40	9,458	363	9,821
					689		689
<u>\$ 4,565</u>	<u>\$ 2,131</u>	<u>\$ 8,270</u>	<u>\$ 831</u>	<u>\$ 23,121</u>	<u>\$ 67,951</u>	<u>\$ 9,329</u>	<u>\$ 77,280</u>
\$ 241	\$ 342		\$ 100	\$ 1,086	\$ 3,475	\$ 150	\$ 3,625
	33		232	352	913		913
	1,755				1,755		1,755
	1		16	13	46		46
4,193		8,008			23,036	9,024	32,060
4,434	2,131	8,008	348	1,451	29,225	9,174	38,399
	2,133		275	1,914	7,091		7,091
					689		689
					24		24
131	(2,133)	262	208	19,756	30,922	155	31,077
131	0	262	483	21,670	38,726	155	38,881
<u>\$ 4,565</u>	<u>\$ 2,131</u>	<u>\$ 8,270</u>	<u>\$ 831</u>	<u>\$ 23,121</u>	<u>\$ 67,951</u>	<u>\$ 9,329</u>	<u>\$ 77,280</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

Nonmajor Special Revenue Funds						
	Community Development Grants	Real Estate Assessment	Motor Vehicle and Gas Tax	Emergency Medical Services	Emergency Telephone System	Senior Services
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 5,700	\$ 3,939
Charges for services	969	4,122	205			
Fines and forfeits			57			
Inergovernmental revenue	14,498		14,535			
Miscellaneous revenue	459	46	352	3	408	8
Total revenues	<u>15,926</u>	<u>4,168</u>	<u>15,149</u>	<u>3</u>	<u>6,108</u>	<u>3,947</u>
EXPENDITURES						
Current:						
General government:						
Legislative and executive	1,057	5,721				
Judicial	1,626					
Public safety	11,643			9,993	8,037	
Public works	-		14,204			
Health	3					
Human services	932					3,945
Conservation and recreation	166					
Miscellaneous	-					
Capital outlay	-					
Total expenditures	<u>15,427</u>	<u>5,721</u>	<u>14,204</u>	<u>9,993</u>	<u>8,037</u>	<u>3,945</u>
Excess of revenues over (under)	<u>499</u>	<u>(1,553)</u>	<u>945</u>	<u>(9,990)</u>	<u>(1,929)</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)						
OPWC loan proceeds			500			
Proceeds of cap.lease trans						
Transfers in	100		-	9,499		
Transfers out			(392)			
Total other financing sources (uses)	<u>100</u>	<u>-</u>	<u>108</u>	<u>9,499</u>	<u>-</u>	<u>-</u>
Net change in fund balances	599	(1,553)	1,053	(491)	(1,929)	2
Fund balance at beginning of year	448	2,464	5,105	970	9,514	129
Fund balance at end of year	<u>\$ 1,047</u>	<u>\$ 911</u>	<u>\$ 6,158</u>	<u>\$ 479</u>	<u>\$ 7,585</u>	<u>\$ 131</u>

Workforce Development Agency	Zoo Operating	Child Support Enforcement Agency	Other Special Revenue Funds	Capital Projects		
				Total	Permanent Zoo Improvements	Total Nonmajor Governmental Funds
\$ -	\$ 5,809	\$ -	\$ 3,921	\$ 19,369	\$ 398	\$ 19,767
		1,489	8,490	\$ 15,275		15,275
			154	211		211
7,978		9,453	14,445	60,909	\$ 12	60,921
124	11	116	7,185	8,712	\$ 1	8,713
<u>8,102</u>	<u>5,820</u>	<u>11,058</u>	<u>34,195</u>	<u>104,476</u>	<u>411</u>	<u>104,887</u>
			11,377	18,155		18,155
		11,553	1,244	14,423		14,423
			11,556	41,229		41,229
			-	14,204		14,204
-			8,833	8,836		8,836
5,023			-	9,900		9,900
	5,718		-	5,884	107	5,991
			6,296	6,296		6,296
			-	-	149	149
<u>5,023</u>	<u>5,718</u>	<u>11,553</u>	<u>39,306</u>	<u>118,927</u>	<u>257</u>	<u>119,183</u>
<u>3,079</u>	<u>102</u>	<u>(495)</u>	<u>(5,111)</u>	<u>(14,451)</u>	<u>155</u>	<u>(14,296)</u>
				500		500
			-	-		-
		452	1,288	11,339		11,339
		-	(438)	(830)		(830)
<u>-</u>	<u>-</u>	<u>452</u>	<u>850</u>	<u>11,009</u>	<u>-</u>	<u>11,009</u>
3,079	102	(43)	(4,261)	(3,442)	155	(3,287)
<u>(3,079)</u>	<u>160</u>	<u>526</u>	<u>25,931</u>	<u>42,168</u>	<u>-</u>	<u>42,168</u>
<u>\$ (0)</u>	<u>\$ 262</u>	<u>\$ 483</u>	<u>\$ 21,670</u>	<u>\$ 38,726</u>	<u>\$ 155</u>	<u>\$ 38,881</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT GRANT - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Positive (Negative)</u>
Revenues:			
Charges for services	\$ -	\$ 969	\$ 969
Intergovernmental revenue	-	14,528	14,528
Miscellaneous revenue	<u>31,501</u>	<u>459</u>	<u>(31,042)</u>
<i>Total revenue</i>	31,501	15,956	(15,545)
Expenditures:			
Current:			
General government			
Legislative and executive			
Personal services	187	171	16
Materials and supplies	14	-	14
Charges and services	3,004	961	2,043
Capital outlay and equipment	<u>210</u>	<u>133</u>	<u>77</u>
<i>Total legislative & executive</i>	3,415	1,265	2,150
Judicial			
Personal services	912	519	393
Materials and supplies	43	18	25
Charges and services	1,851	1,162	689
Capital outlay and equipment	<u>277</u>	<u>212</u>	<u>65</u>
<i>Total judicial</i>	3,083	1,911	1,172
Public safety			
Personal services	225	168	57
Materials and supplies	-	-	-
Charges and services	624	430	194
Capital outlay and equipment	<u>11,087</u>	<u>11,082</u>	<u>5</u>
<i>Total public safety</i>	11,936	11,680	256
Health			
Personal services	3	-	3
Charges and services	-	3	(3)
Capital outlay and equipment	<u>40</u>	<u>-</u>	<u>40</u>
<i>Total health</i>	43	3	40
Conservation & recreation			
Charges and services	<u>1,536</u>	<u>234</u>	<u>1,302</u>
<i>Total conservation & recreation</i>	<u>\$ 1,536</u>	<u>\$ 234</u>	<u>\$ 1,302</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
COMMUNITY DEVELOPMENT GRANT - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Human Services			
Personal services	\$ 29	\$ 30	\$ (1)
Materials and supplies	8	6	2
Charges and services	1,107	1,002	105
Capital outlay and equipment	8	8	-
<i>Total human services</i>	1,152	1,046	106
Miscellaneous			
Charges and services	-	-	-
<i>Total miscellaneous</i>	-	-	-
<i>Total expenditures</i>	21,165	16,139	5,026
<i>Excess of revenues over (under) expenditures</i>	10,336	(183)	(10,519)
Other financing (uses):			
Operating transfers in	-	100	100
Operating transfers out	(10,179)	-	10,179
<i>Total other financing sources (uses)</i>	(10,179)	100	10,279
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	157	(83)	(240)
Fund balance at beginning of year	(1,042)	(1,042)	-
Prior year encumbrances appropriated	1,351	1,351	-
Fund balance at end of year	<u>\$ 466</u>	<u>\$ 226</u>	<u>\$ (240)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
REAL ESTATE ASSESSMENT - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Charges for services	\$ 4,055	\$ 4,122	\$ 67
Miscellaneous revenue	20	46	26
<i>Total revenue</i>	4,075	4,168	93
Expenditures:			
Current:			
Legislative and executive			
Personal services	3,136	3,062	74
Materials and supplies	64	48	16
Charges and services	3,200	2,733	467
Capital outlay and equipment	225	120	105
<i>Total expenditures</i>	6,625	5,963	662
<i>Excess of revenues over (under) expenditures</i>	(2,550)	(1,795)	755
Fund balance at beginning of year	2,196	2,196	-
Prior year encumbrances appropriated	356	356	-
Fund balance at end of year	\$ 2	\$ 757	\$ 755

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
MOTOR VEHICLE & GAS TAX - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Taxes	\$ 120	\$ 206	\$ 86
Charges for services	-	-	-
Fines and forfeits	55	57	2
Intergovernmental revenue	14,980	14,752	(228)
Miscellaneous revenue	<u>215</u>	<u>347</u>	<u>132</u>
<i>Total revenue</i>	15,370	15,362	(8)
Expenditures:			
Current:			
Public works			
Personal services	5,223	5,085	138
Materials and supplies	281	250	31
Charges and services	12,502	10,565	1,937
Capital outlay and equipment	<u>361</u>	<u>351</u>	<u>10</u>
<i>Total expenditures</i>	<u>18,367</u>	<u>16,251</u>	<u>2,116</u>
<i>Excess of revenues over (under) expenditures</i>	(2,997)	(889)	2,108
Fund balance at beginning of year	1,622	1,622	-
Prior year encumbrances appropriated	<u>1,608</u>	<u>1,608</u>	<u>-</u>
Fund balance at end of year	<u>\$ 233</u>	<u>\$ 2,341</u>	<u>\$ 2,108</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
EMERGENCY MEDICAL SERVICES - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Miscellaneous revenue	\$ -	\$ 3	\$ 3
<i>Total revenue</i>	-	3	3
Expenditures:			
Current:			
Public safety			
Personal services	1,513	1,466	47
Materials and supplies	504	454	50
Charges and services	8,310	8,174	136
Capital outlay and equipment	223	199	24
<i>Total expenditures</i>	10,550	10,293	257
<i>Excess of revenues over (under) expenditures</i>	(10,550)	(10,290)	260
Other financing sources:			
Operating transfers in	9,227	9,499	272
<i>Total other financing sources</i>	9,227	9,499	272
<i>Excess of revenues and other financing sources over (under) expenditures</i>	(1,323)	(791)	532
Fund balance at beginning of year	527	527	-
Prior year encumbrances appropriated	606	606	-
Fund balance at end of year	\$ (190)	\$ 342	\$ 532

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
EMERGENCY TELEPHONE SYSTEM - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Taxes	\$ 5,460	\$ 5,656	\$ 196
Miscellaneous revenue	-	85	85
<i>Total revenue</i>	<u>5,460</u>	<u>5,741</u>	<u>281</u>
Expenditures:			
Current:			
Public safety			
Personal services	838	629	209
Materials and supplies	22	19	3
Charges and services	12,409	7,714	4,695
Capital outlay and equipment	166	128	38
<i>Total expenditures</i>	<u>13,435</u>	<u>8,490</u>	<u>4,945</u>
<i>Excess of revenues over (under) expenditures</i>	(7,975)	(2,749)	5,226
Fund balance at beginning of year	7,818	7,818	-
Prior year encumbrances appropriated	1,775	1,775	-
Fund balance at end of year	<u>\$ 1,618</u>	<u>\$ 6,844</u>	<u>\$ 5,226</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SENIOR SERVICES - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Taxes	\$ 3,996	\$ 3,921	\$ (75)
Intergovernmental revenue	-	8	8
<i>Total revenue</i>	3,996	3,929	(67)
Expenditures:			
Current:			
Human services			
Charges and services	3,996	3,703	293
<i>Total expenditures</i>	3,996	3,703	293
<i>Excess of revenues over (under) expenditures</i>	(0)	226	226
Fund balance at beginning of year	16	16	-
Fund balance at end of year	\$ 16	\$ 242	\$ 226

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
WORKFORCE DEVELOPMENT AGENCY - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Intergovernmental revenue	\$ 12,000	\$ 5,847	\$ (6,153)
Miscellaneous Revenue	-	125	125
<i>Total revenue</i>	<u>12,000</u>	<u>5,972</u>	<u>(6,028)</u>
Expenditures:			
Current			
Public safety			
Personal services	1,249	1,242	7
Materials and supplies	46	28	18
Charges and services	7,646	6,367	1,279
Capital outlay and equipment	<u>66</u>	<u>40</u>	<u>26</u>
<i>Total expenditures</i>	<u>9,007</u>	<u>7,677</u>	<u>1,330</u>
<i>Excess of revenues over (under) expenditures</i>	2,993	(1,705)	(4,698)
Fund balance at beginning of year	(4,934)	(4,934)	-
Prior year encumbrances appropriated	2,515	2,515	-
Fund balance at end of year	<u>\$ 574</u>	<u>\$ (4,124)</u>	<u>\$ (4,698)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
ZOO OPERATING - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Taxes	\$ 5,725	\$ 5,722	\$ (3)
Miscellaneous revenue	-	12	12
<i>Total revenue</i>	5,725	5,734	9
Expenditures:			
Current:			
Conservation and recreation			
Charges and services	5,725	5,718	7
<i>Total expenditures</i>	5,725	5,718	7
<i>Excess of revenues over (under) expenditures</i>	-	16	16
Fund balance at beginning of year	-	-	-
Fund balance at end of year	-	\$ 16	\$ 16

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
CHILD SUPPORT ENFORCEMENT AGENCY - SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Charges for services	\$ 1,494	\$ 1,506	\$ 12
Intergovernmental revenue	10,405	9,453	(952)
Miscellaneous revenue	125	112	(13)
<i>Total revenue</i>	12,024	11,071	(953)
Expenditures:			
Current:			
General government			
Judicial			
Personal services	9,653	9,295	358
Materials and supplies	207	181	26
Charges and services	2,653	2,518	135
Capital outlay and equipment	120	17	103
<i>Total expenditures</i>	12,633	12,011	622
<i>Excess of revenues over (under) expenditures</i>	(609)	(940)	(331)
Other financing sources:			
Operating transfers in	-	452	(452)
<i>Total other financing sources</i>	-	452	(452)
<i>Excess of revenues and other financing sources over (under) expenditures</i>	(609)	(488)	121
Fund balance at beginning of year	569	569	-
Prior year encumbrances appropriated	268	268	-
Fund balance at end of year	<u>\$ 228</u>	<u>\$ 349</u>	<u>\$ 121</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
DOG AND KENNEL - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Charges for services	\$ 1,222	\$ 1,244	\$ 22
Fines and forfeits	81	65	(16)
Miscellaneous revenue	120	109	(11)
<i>Total revenue</i>	1,423	1,418	(5)
Expenditures:			
Current:			
General government			
Health			
Personal services	1,285	1,245	40
Materials and supplies	97	92	5
Charges and services	204	197	7
Capital outlay and equipment	27	23	4
<i>Total expenditures</i>	1,613	1,557	56
<i>Excess of revenues over (under) expenditures</i>	(190)	(139)	51
Other financing sources:			
Operating transfers in	-	-	-
<i>Total other financing sources</i>	-	-	-
<i>Excess of revenues and other financing sources over (under) expenditures</i>	(190)	(139)	51
Fund balance at beginning of year	311	311	-
Prior year encumbrances appropriated	50	50	-
Fund balance at end of year	<u>\$ 171</u>	<u>\$ 222</u>	<u>\$ 51</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
HOTEL LODGING TAX - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Taxes	\$ 5,000	\$ 3,920	\$ (1,080)
<i>Total revenue</i>	5,000	3,920	(1,080)
Expenditures:			
Current:			
Miscellaneous			
Charges and services	4,900	3,894	1,006
<i>Total expenditures</i>	4,900	3,894	1,006
<i>Excess of revenues over (under) expenditures</i>	100	26	(74)
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ 100</u>	<u>\$ 26</u>	<u>\$ (74)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
CORONER'S LAB FUND - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Charges for services	\$ 450	\$ 428	\$ (22)
<i>Total revenue</i>	450	428	(22)
Expenditures:			
Current:			
Health			
Materials and supplies	49	48	1
Charges and services	175	174	1
Capital outlay and equipment	11	11	-
<i>Total expenditures</i>	235	233	2
<i>Excess of revenues over (under) expenditures</i>	215	195	(20)
Other financing (uses):			
Operating transfers out	(387)	(387)	-
<i>Total other financing sources (uses)</i>	(387)	(387)	-
<i>Excess of revenues and other financing sources over (under) expenditures and other financing uses</i>	(172)	(192)	(20)
Fund balance at beginning of year	211	211	-
Prior year encumbrances appropriated	33	33	-
Fund balance at end of year	\$ 72	\$ 52	\$ (20)

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
MARRIAGE LICENSE - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Charges for services	<u>\$ 200</u>	<u>\$ 146</u>	<u>\$ (54)</u>
<i>Total revenue</i>	200	146	(54)
Expenditures:			
Current:			
Health			
Charges and services	<u>200</u>	<u>156</u>	<u>44</u>
<i>Total expenditures</i>	<u>200</u>	<u>156</u>	<u>44</u>
<i>Excess of revenues over (under) expenditures</i>	-	(10)	(10)
Fund balance at beginning of year	35	35	-
Fund balance at end of year	<u>\$ 35</u>	<u>\$ 25</u>	<u>\$ (10)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
LAW ENFORCEMENT DRUG FUND - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Fines and forfeits	\$ -	\$ -	\$ -
<i>Total revenue</i>	-	-	-
Expenditures:			
Current:			
Public safety			
Charges and services	-	-	-
<i>Total expenditures</i>	-	-	-
<i>Excess of revenues over (under) expenditures</i>	-	-	-
Fund balance at beginning of year	13	13	-
Fund balance at end of year	\$ 13	\$ 13	\$ -

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
DELINQUENT REAL ESTATE TAX AND ASSESSMENT
COLLECTION - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006

(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Charges for services	\$ 1,550	\$ 1,649	\$ 99
Miscellaneous revenue	700	527	(173)
<i>Total revenue</i>	2,250	2,176	(74)
Expenditures:			
Current:			
General government			
Legislative and executive			
Personal services	1,597	1,514	83
Materials and supplies	59	49	10
Charges and services	746	477	269
Capital outlay and equipment	29	26	3
<i>Total expenditures</i>	2,431	2,066	365
<i>Excess of revenues over (under) expenditures</i>	(181)	110	291
Fund balance at beginning of year	1,019	1,019	-
Prior year encumbrances appropriated	47	47	-
Fund balance at end of year	\$ 885	\$ 1,176	\$ 291

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
TAX INSTALLMENT PAYMENT PLAN - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Charges for services	\$ 60	\$ 60	\$ 0
<i>Total revenue</i>	60	60	0
Expenditures:			
Current:			
General government			
Legislative and executive			
Personal services	50	50	-
Materials and supplies	10	7	3
Charges and services	25	16	9
Capital outlay and equipment	1	1	-
<i>Total expenditures</i>	<u>86</u>	<u>74</u>	<u>12</u>
<i>Excess of revenues over (under) expenditures</i>	(26)	(14)	12
Fund balance at beginning of year	233	233	-
Prior year encumbrances appropriated	14	14	
Fund balance at end of year	<u>\$ 221</u>	<u>\$ 233</u>	<u>\$ 12</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
EMERGENCY PLANNING FUND - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Charges for services	\$ 80	\$ 61	\$ (19)
Miscellaneous revenue	8	14	6
<i>Total revenue</i>	88	75	(13)
Expenditures:			
Current:			
General government			
Public safety			
Materials and supplies	3	2	1
Charges and services	105	95	10
Capital outlay and equipment	2	-	2
<i>Total expenditures</i>	110	97	13
<i>Excess of revenues over (under) expenditures</i>	(22)	(22)	0
Fund balance at beginning of year	6	6	-
Prior year encumbrances appropriated	9	9	-
Fund balance at end of year	\$ (7)	\$ (7)	\$ 0

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
INDIGENT GUARDIANSHIP FUND - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
 (Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Miscellaneous revenue	\$ 85	\$ 61	\$ (24)
<i>Total revenue</i>	85	61	(24)
Expenditures:			
Current:			
General government			
Judicial			
Charges and services	85	35	50
<i>Total expenditures</i>	85	35	50
<i>Excess of revenues over (under) expenditures</i>	-	26	26
Fund balance at beginning of year	61	61	-
Prior year encumbrances appropriated	1	1	-
Fund balance at end of year	\$ 62	\$ 88	\$ 26

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
COMMUNITY MR/RES SERVICES - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Intergovernmental revenue	\$ 17,233	\$ 2,446	\$(14,787)
<i>Total revenue</i>	17,233	2,446	(14,787)
Expenditures:			
Current:			
Health			
Charges and services	<u>16,707</u>	<u>6,945</u>	<u>9,762</u>
<i>Total expenditures</i>	<u>16,707</u>	<u>6,945</u>	<u>9,762</u>
<i>Excess of revenues over (under) expenditures</i>	526	(4,499)	(5,025)
Fund balance at beginning of year	3,630	3,630	-
Prior year encumbrances appropriated	426	426	-
Fund balance at end of year	<u>\$ 4,582</u>	<u>\$ (443)</u>	<u>\$ (5,025)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
ECONOMIC DEVELOPMENT FUND - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Intergovernmental revenue	\$ -	\$ 31	\$ 31
Miscellaneous revenue	-	0	0
<i>Total revenue</i>	-	31	31
Expenditures:			
Current:			
General government			
Legislative and executive			
Personal services	347	312	35
Materials and supplies	6	6	-
Charges and services	1,473	1,440	33
Capital outlays and equipment	-	-	-
<i>Total expenditures</i>	1,826	1,758	68
<i>Excess of revenues over (under) expenditures</i>	(1,826)	(1,727)	99
Other financing sources:			
Operating transfers in	515	515	-
<i>Total other financing sources</i>	515	515	-
<i>Excess of revenues and other financing sources over (under) expenditures and other uses</i>	(1,311)	(1,212)	99
Fund balance at beginning of year	2,251	2,251	-
Prior year encumbrances appropriated	18	18	-
Fund balance at end of year	<u>\$ 958</u>	<u>\$ 1,057</u>	<u>\$ 99</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
INDIGENT DRIVERS FUND - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Fines and forfeits	<u>\$ 25</u>	<u>\$ 79</u>	<u>\$ 54</u>
<i>Total revenue</i>	25	79	54
Expenditures:			
Current:			
Judicial			
Charges and services	<u>10</u>	<u>-</u>	<u>10</u>
<i>Total expenditures</i>	<u>10</u>	<u>-</u>	<u>10</u>
<i>Excess of revenues over (under) expenditures</i>	15	79	64
Fund balance at beginning of year	306	306	-
Fund balance at end of year	<u><u>\$ 321</u></u>	<u><u>\$ 385</u></u>	<u><u>\$ 64</u></u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
PROBATION SERVICE - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Charges for services	\$ 210	\$ 223	\$ 13
<i>Total revenue</i>	210	223	13
Expenditures:			
Current:			
Legislative and executive			
Personal services	58	58	-
Charges and services	139	135	4
Capital outlay and equipment	175	175	-
<i>Total expenditures</i>	372	368	4
<i>Excess of revenues over (under) expenditures</i>	(162)	(145)	17
Fund balance at beginning of year	310	310	-
Prior year encumbrances appropriated	175	175	-
Fund balance at end of year	\$ 323	\$ 340	\$ 17

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
MV ENFORCEMENT AND EDUCATION - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Charges for services	\$ 10	\$ 5	\$ (5)
<i>Total revenue</i>	10	5	(5)
Expenditures:			
Current:			
Judicial			
Charges and services	10	-	10
<i>Total expenditures</i>	10	-	10
<i>Excess of revenues over (under) expenditures</i>	-	5	5
Fund balance at beginning of year	44	44	-
Fund balance at end of year	<u>\$ 44</u>	<u>\$ 49</u>	<u>\$ 5</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
BUILDING REGULATIONS - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Charges for services	\$ 1,675	\$ 1,298	\$ (377)
<i>Total revenue</i>	1,675	1,298	(377)
Expenditures:			
Current:			
Legislative and executive			
Personal services	1,220	1,203	17
Materials and supplies	67	55	12
Charges and services	488	443	45
Capital outlay and equipment	29	23	6
<i>Total expenditures</i>	<u>1,804</u>	<u>1,724</u>	<u>80</u>
<i>Excess of revenues over (under) expenditures</i>	(129)	(426)	(297)
Fund balance at beginning of year	1,326	1,326	-
Prior year encumbrances appropriated	185	185	-
Fund balance at end of year	<u>\$ 1,382</u>	<u>\$ 1,085</u>	<u>\$ (297)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
CERTIFICATE OF TITLE ADMINISTRATION - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Charges for services	\$ 1,630	\$ 1,557	\$ (73)
<i>Total revenue</i>	1,630	1,557	(73)
Expenditures:			
Current:			
Legislative and executive			
Personal services	1,677	1,594	83
Materials and supplies	63	50	13
Charges and services	187	141	46
Capital outlay and equipment	14	8	6
<i>Total expenditures</i>	1,941	1,793	148
<i>Excess of revenues over (under) expenditures</i>	(311)	(236)	75
Fund balance at beginning of year	1,012	1,012	-
Prior year encumbrances appropriated	15	15	-
Fund balance at end of year	<u>\$ 716</u>	<u>\$ 791</u>	<u>\$ 75</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
RECORDER EQUIPMENT - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Charges for services	\$ 400	\$ 337	\$ (63)
<i>Total revenue</i>	400	337	(63)
Expenditures:			
General government:			
Legislative and executive			
Materials and supplies	36	22	14
Charges and services	786	388	398
Capital outlay and equipment	25	2	23
<i>Total expenditures</i>	847	412	435
<i>Excess of revenues over (under) expenditures</i>	(447)	(75)	372
Fund balance at beginning of year	995	995	-
Prior year encumbrances appropriated	20	20	-
Fund balance at end of year	<u>\$ 568</u>	<u>\$ 940</u>	<u>\$ 372</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
JUVENILE TREATMENT CENTER - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Intergovernmental revenue	\$ 2,750	\$ 2,741	\$ (9)
<i>Total revenue</i>	2,750	2,741	(9)
Expenditures:			
Current:			
Public safety			
Personal services	2,265	2,228	37
Materials and supplies	220	195	25
Charges and services	321	298	23
Capital outlay and equipment	43	43	-
<i>Total expenditures</i>	<u>2,849</u>	<u>2,764</u>	<u>85</u>
<i>Excess of revenues over (under) expenditures</i>	(99)	(23)	76
Fund balance at beginning of year	152	152	-
Prior year encumbrances appropriated	40	40	-
Fund balance at end of year	<u>\$ 93</u>	<u>\$ 169</u>	<u>\$ 76</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
JUVENILE FELONY CARE - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Intergovernmental revenue	\$ 2,483	\$ 3,648	\$ 1,165
<i>Total revenue</i>	2,483	3,648	1,165
Expenditures:			
Current:			
Public safety			
Personal services	490	383	107
Materials and supplies	11	3	8
Charges and services	2,647	2,467	180
Capital outlay and equipment	249	229	20
<i>Total expenditures</i>	3,397	3,082	315
<i>Excess of revenues over (under) expenditures</i>	(914)	566	1,480
Fund balance at beginning of year	4,175	4,175	-
Prior year encumbrances appropriated	480	480	-
Fund balance at end of year	\$ 3,741	\$ 5,221	\$ 1,480

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
ADULT PROBATION GRANT - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Intergovernmental revenue	\$ 1,082	\$ 882	\$ (200)
<i>Total revenue</i>	1,082	882	(200)
Expenditures:			
Current			
General government			
Judicial			
Personal services	648	642	6
Materials and supplies	7	6	1
Charges and services	349	318	31
Capital outlay and equipment	16	16	-
<i>Total expenditures</i>	<u>1,020</u>	<u>982</u>	<u>38</u>
<i>Excess of revenues over (under) expenditures</i>	62	(100)	(162)
Fund balance at beginning of year	92	92	-
Prior year encumbrances appropriated	52	52	-
Fund balance at end of year	<u>\$ 206</u>	<u>\$ 44</u>	<u>\$ (162)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
CORRECTIONAL TREATMENT FACILITY - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Intergovernmental revenue	\$ 3,700	\$ 3,481	\$ (219)
Miscellaneous revenue	-	21	21
<i>Total revenue</i>	3,700	3,502	(198)
Expenditures:			
Current			
Public safety			
Personal services	3,012	2,969	43
Materials and supplies	217	212	5
Charges and services	345	334	11
Capital outlay and equipment	11	11	-
<i>Total expenditures</i>	3,585	3,526	59
<i>Excess of revenues over (under) expenditures</i>	115	(24)	(139)
Fund balance at beginning of year	383	383	-
Prior year encumbrances appropriated	39	39	-
Fund balance at end of year	\$ 537	\$ 398	\$ (139)

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
COMMON PLEAS CIVIL MEDIATION - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Intergovernmental revenue	\$ 110	\$ 124	\$ 14
<i>Total revenue</i>	110	124	14
Expenditures:			
Current			
Public safety			
Personal services	98	95	3
Materials and supplies	2	1	1
Charges and services	1	1	-
Capital outlay and equipment	3	2	1
<i>Total expenditures</i>	104	99	5
<i>Excess of revenues over (under) expenditures</i>	6	25	19
Fund balance at beginning of year	194	194	-
Fund balance at end of year	\$ 200	\$ 219	\$ 19

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SHERIFF'S POLICING - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Intergovernmental revenue	\$ 757	\$ 699	\$ (58)
<i>Total revenue</i>	757	699	(58)
Expenditures:			
Current			
Public safety			
Personal services	643	550	93
Charges and services	-	-	-
Capital outlay and equipment	-	-	-
<i>Total expenditures</i>	643	550	93
<i>Excess of revenues over (under) expenditures</i>	114	149	35
Fund balance at beginning of year	(113)	(113)	-
Fund balance at end of year	\$ 1	\$ 36	\$ 35

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
ADMINISTRATION OF JUSTICE - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Miscellaneous Revenue	\$ 5	\$ 4	\$ (1)
<i>Total revenue</i>	5	4	(1)
Expenditures:			
Current			
Judicial			
Personal services	-	-	-
Materials and supplies	-	-	-
Charges and services	2	2	-
Capital outlay and equipment	-	-	-
<i>Total expenditures</i>	2	2	-
<i>Excess of revenues over (under) expenditu</i>	3	2	(1)
Fund balance at beginning of year	7	7	-
Prior year encumbrances appropriated	1	1	-
Fund balance at end of year	\$ 11	\$ 10	\$ (1)

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
LOCAL DEVELOPMENT - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Miscellaneous Revenue	\$ 200	\$ 45	\$ (155)
<i>Total revenue</i>	200	45	(155)
Expenditures:			
Current			
Legislative and executive			
Personal services	-	-	-
Materials and supplies	-	-	-
Charges and services	500	-	500
Capital outlay and equipment	-	-	-
<i>Total expenditures</i>	<u>500</u>	<u>-</u>	<u>500</u>
<i>Excess of revenues over (under) expenditures</i>	(300)	45	345
Other financing sources:			
Operating transfers in	-	-	-
<i>Total other financing sources</i>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Excess of revenues and other financing sources over (under) expenditures</i>	(300)	45	345
Fund balance at beginning of year	569	569	-
Prior year encumbrances appropriated	1	1	-
Fund balance at end of year	<u>\$ 270</u>	<u>\$ 615</u>	<u>\$ 345</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
COMMUNICATION SYSTEM - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Miscellaneous Revenue	\$ 892	\$ 892	\$ -
<i>Total revenue</i>	892	892	-
Expenditures:			
Current			
Legislative and executive			
Personal services	-	-	-
Materials and supplies	-	-	-
Charges and services	1,788	1,783	5
Capital outlay and equipment	-	-	-
<i>Total expenditures</i>	1,788	1,783	5
<i>Excess of revenues over (under) expenditures</i>	(896)	(891)	5
Other financing sources:			
Operating transfers in	-	-	-
<i>Total other financing sources</i>	-	-	-
<i>Excess of revenues and other financing sources over (under) expenditures</i>	(896)	(891)	5
Fund balance at beginning of year	892	892	-
Prior year encumbrances appropriated	8	8	-
Fund balance at end of year	\$ 4	\$ 9	\$ 5

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
TOXICOLOGY LAB - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Miscellaneous revenue	\$ 60	\$ 78	\$ 18
<i>Total revenue</i>	60	78	18
Expenditures:			
Current:			
Public safety			
Personal services	302	302	-
Materials and supplies	50	50	-
Charges and services	104	98	6
Capital outlay and equipment	10	10	-
<i>Total expenditures</i>	466	460	6
<i>Excess of revenues over (under) expenditures</i>	(406)	(382)	24
Other financing sources:			
Operating transfers in	387	387	-
<i>Total other financing sources</i>	387	387	-
<i>Excess of revenues and other financing sources over (under) expenditures</i>	(19)	5	24
Fund balance at beginning of year	19	19	-
Prior year encumbrances appropriated	14	14	-
Fund balance at end of year	<u>\$ 14</u>	<u>\$ 38</u>	<u>\$ 24</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
EMERGENCY MANAGEMENT AGENCY - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Revised Budget	Actual Amounts	Variance: Positive (Negative)
Revenues:			
Intergovernmental revenue	\$ 268	\$ 240	\$ (28)
Miscellaneous revenue	16	21	5
<i>Total revenue</i>	284	261	(23)
Expenditures:			
Current:			
Public safety			
Personal services	294	292	2
Materials and supplies	7	6	1
Charges and services	162	154	8
Capital outlay and equipment	2	2	-
<i>Total expenditures</i>	465	454	11
<i>Excess of revenues over (under) expenditures</i>	(181)	(193)	(12)
Other financing sources:			
Operating transfers in	151	151	-
<i>Total other financing sources</i>	151	151	-
<i>Excess of revenues and other financing sources over (under) expenditures</i>	(30)	(42)	(12)
Fund balance at beginning of year	129	129	-
Prior year encumbrances appropriated	30	30	-
Fund balance at end of year	\$ 129	\$ 117	\$ (12)

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
CONCEALED HANDGUN - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Charges for services	\$ 20	\$ 19	\$ (1)
Miscellaneous Revenue	-	-	-
	<u>20</u>	<u>19</u>	<u>(1)</u>
<i>Total revenue</i>	20	19	(1)
Expenditures:			
Current			
Legislative and executive			
Personal services	-	-	-
Materials and supplies	-	-	-
Charges and services	17	11	6
Capital outlay and equipment	-	-	-
	<u>17</u>	<u>11</u>	<u>6</u>
<i>Total expenditures</i>	17	11	6
<i>Excess of revenues over (under) expenditu</i>	3	8	5
Fund balance at beginning of year	37	37	-
Prior year encumbrances appropriated	2	2	-
Fund balance at end of year	<u>\$ 42</u>	<u>\$ 47</u>	<u>\$ 5</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
JUVENILE INDIGENT DRIVERS FUND - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Fines and forfeits	\$ _____	\$ _____	\$ _____
<i>Total revenue</i>			
Expenditures:			
Current:			
Judicial			
Charges and services	_____	_____	_____
<i>Total expenditures</i>	_____	_____	_____
<i>Excess of revenues over (under) expenditures</i>			
Fund balance at beginning of year	5	5	
Fund balance at end of year	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ -</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
TAX CERT ADMIN TREASURER - OTHER SPECIAL REVENUE FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Revenues:			
Taxes	-	780	\$ 780
<i>Total revenue</i>	-	780	780
Expenditures:			
Current:			
Health			
Personal services	-	-	-
Materials and supplies	-	-	-
Charges and services	-	-	-
Capital outlay and equipment	-	-	-
<i>Total expenditures</i>	-	-	-
<i>Excess of revenues over (under) expenditures</i>	-	780	780
Fund balance at beginning of year	-	-	-
Fund balance at end of year	<u>\$ -</u>	<u>\$ 780</u>	<u>\$ 780</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
CAPITAL IMPROVEMENTS - CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2006

(Amounts in 000's)

	revised Budget	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Special assessments	\$ -	\$ 1,116	\$ 1,116
Intergovernmental revenue	-	-	-
Miscellaneous revenue	51,500	4,519	(46,981)
<i>Total revenues</i>	51,500	5,635	(45,865)
Expenditures:			
Current:			
Capital Outlay	30,920	14,320	16,600
Human Service	-	-	-
Debt service			
Principal retirement	6,105	6,105	-
Interest and fiscal charges	186	186	-
<i>Total expenditures</i>	37,211	20,611	16,600
<i>Excess of revenues over (under) expenditures</i>	14,289	(14,976)	(29,265)
Other financing sources (uses):			
Proceeds of notes	-	4,915	4,915
Proceeds of bonds	-	2,892	2,892
Operating transfers in	-	1,541	1,541
Operating transfers (out)	(12,847)	-	12,847
<i>Total other financing sources (uses)</i>	(12,847)	9,348	22,195
<i>Excess of revenue and other financing sources over (under) expenditures and other uses</i>	1,442	(5,628)	(7,070)
Fund balance at beginning of year	12,109	12,109	-
Prior year encumbrances appropriated	9,705	9,705	-
Fund balance at end of year	<u>\$ 23,256</u>	<u>\$ 16,186</u>	<u>\$ (7,070)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
PERMANENT ZOO IMPROVEMENT - CAPITAL PROJECTS FUND
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Final	Actual	Variance: Favorable (Unfavorable)
Revenues:			
Taxes	\$ -	\$ 107	\$ 107
Miscellaneous revenue	-	-	-
<i>Total revenues</i>	-	107	107
Expenditures:			
Current:			
Capital outlay-			
Construction contracts	107	107	0
<i>Total expenditures</i>	107	107	0
<i>Excess revenues over (under) expenditures</i>	(107)	(0)	107
Fund balance at beginning of year	-	-	-
Fund balance (deficit) at end of year	\$ (107)	\$ (0)	\$ 107

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
BOND RETIREMENT-DEBT SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance: Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ -	\$ -	\$ -
Special assessments	499	1,197	698
Miscellaneous revenue	3,528	1,641	(1,887)
<i>Total revenues</i>	<u>4,027</u>	<u>2,838</u>	<u>(1,189)</u>
Expenditures:			
Current:			
Debt Service-			
Principal retirement	5,786	5,786	-
Capital outlay	-	-	-
Miscellaneous	1,000	1	999
Interest and fiscal charges	3,887	3,886	1
<i>Total expenditures</i>	<u>10,673</u>	<u>9,673</u>	<u>1,000</u>
<i>Excess revenues over (under) expenditures</i>	(6,646)	(6,835)	(189)
Other financing sources (uses):			
Operating transfers in	5,473	5,079	(394)
Operating transfers (out)	-	-	-
<i>Total other financing sources (uses)</i>	<u>5,473</u>	<u>5,079</u>	<u>(394)</u>
<i>Excess of revenue and other financing sources over (under) expenditures and other uses</i>	(1,173)	(1,756)	(583)
Fund balance at beginning of year	12,496	12,496	-
Prior year encumbrances appropriated	(6,000)	(6,000)	-
Fund balance at end of year	<u>\$ 5,323</u>	<u>\$ 4,740</u>	<u>\$ (583)</u>

**LUCAS COUNTY, OHIO
ENTERPRISE FUNDS
December 31, 2006**

Enterprise Funds- *Enterprise funds account for operations that are financed and operated in a manner similar to private business enterprises. The intent of Lucas County is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The following are the Enterprise funds which Lucas County operates:*

Sanitary Engineer- To account for the administrative costs of operating the water supply system, wastewater treatment system, and sewer system.

Water Supply System- To account for the distribution of treated water to individuals and commercial users of Lucas County.

Wastewater Treatment- To account for wastewater treatment services provided to the Sanitary Engineer, Cities of Maumee and Sylvania, Village of Waterville, Sylvania Township and other portions of Lucas County and portions of Wood County.

Sewer System- To account for sanitary sewer services provided to individuals and commercial users in Lucas County and portions of Wood County.

Solid Waste- To account for the administration of solid waste disposal county-wide.

Parking Facilities- To account for operation of parking facilities.

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
WATER SUPPLY SYSTEM-ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 833	\$ 887	\$ 54
Miscellaneous	650	757	107
<i>Total operating revenues</i>	1,483	1,644	161
Operating expenses:			
Materials and supplies	39	36	3
Contract services	934	786	148
<i>Total operating expenss</i>	973	822	151
Operating income (loss)	510	822	312
Non-operating revenues (expenses):			
Principal retirement	(342)	(340)	2
Interest and fiscal charges	(260)	(258)	2
<i>Total nonoperating revenues (expense)</i>	(602)	(598)	4
<i>Income (loss) before operating transfers</i>	(92)	224	316
Transfer in	-	-	316
Net income (loss)	(92)	224	316
Net assets at beginning of year	1,572	1,572	-
Prior year encumbrances appropriated	92	92	-
Net assets at end of year	<u>\$ 1,572</u>	<u>\$ 1,888</u>	<u>\$ 316</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
WASTEWATER TREATMENT-ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 5,368	\$ 4,975	\$ (393)
Miscellaneous	100	0	(100)
<i>Total operating revenues</i>	5,468	4,975	(493)
Operating expenses:			
Personal services	1,303	1,257	46
Materials and supplies	517	444	73
Contract services	2,204	1,656	548
Capital outlay and equipment	45	36	9
<i>Total operating expense</i>	4,069	3,393	676
Operating income (loss)	1,399	1,582	183
Non-operating revenues (expenses):			
<i>Principal retirement</i>	(1,200)	(1,002)	198
<i>Interest and fiscal charges</i>	(1,050)	(1,149)	(99)
<i>Total nonoperating revenues (expense)</i>	(2,250)	(2,151)	99
Net income (loss)	(851)	(569)	282
Net assets at beginning of year	3,317	3,317	-
Prior year encumbrances appropriated	678	678	-
Net assets at end of year	<u>\$ 3,144</u>	<u>\$ 3,426</u>	<u>\$ 282</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SEWER SYSTEM-ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 470	\$ 272	\$ (198)
Miscellaneous	<u>1,385</u>	<u>1,450</u>	<u>65</u>
<i>Total operating revenues</i>	1,855	1,722	(133)
Operating expenses:			
Personal services	-	-	-
Materials and supplies	30	29	1
Contract services	989	1,130	(141)
Capital outlay and equipment	-	-	-
Miscellaneous	<u>2</u>	<u>0</u>	<u>2</u>
<i>Total operating expense</i>	<u>1,021</u>	<u>1,159</u>	<u>(138)</u>
Operating income (loss)	834	563	(271)
Non-operating revenues (expenses):			
<i>Principal retirement</i>	(754)	(299)	455
<i>Interest and fiscal charges</i>	<u>(140)</u>	<u>(134)</u>	<u>6</u>
<i>Total nonoperating revenues (expense)</i>	<u>(894)</u>	<u>(433)</u>	<u>461</u>
<i>Income (loss) before operating transfers</i>	(60)	130	190
Transfer Out	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	(60)	130	190
Net assets at beginning of year	3,246	3,246	-
Prior year encumbrances appropriated	<u>62</u>	<u>62</u>	<u>-</u>
Net assets at end of year	<u><u>\$ 3,248</u></u>	<u><u>\$ 3,438</u></u>	<u><u>\$ 190</u></u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2006
(Amounts in 000's)

	<u>Sanitary Engineer</u>	<u>Solid Waste</u>	<u>Parking Facilities</u>	<u>Total Other Enterprise Funds</u>
ASSETS				
Current assets:				
Pooled cash and cash equivalents	\$ 160	\$ 91	\$ 118	\$ 369
Pooled investments	2,503	1,427	1,849	5,779
Receivables (net of allowances for uncollectables)				-
Accounts	1,595	258	82	1,935
Due from other governments	-	-	-	-
Total current assets	<u>4,258</u>	<u>1,776</u>	<u>2,049</u>	<u>8,083</u>
Noncurrent assets-capital assets:				
Land	154	340	-	494
Buildings, structures, and improvements	3,006	-	-	3,006
Furniture, fixtures, and equipment	2,214	757	-	2,970
Less accumulated depreciation	<u>(2,959)</u>	<u>(514)</u>	-	<u>(3,473)</u>
Total non-current	2,414	583	-	2,997
Total assets	<u>\$ 6,672</u>	<u>\$ 2,359</u>	<u>\$ 2,049</u>	<u>\$ 11,080</u>
LIABILITIES				
Current liabilities:				
Accounts payable	26	137	-	163
Accrued wages and benefits	543	68	-	611
Due to other funds	2	1	-	3
Current portion of long-term debt	38	-	-	38
Total current liabilities	<u>609</u>	<u>206</u>	-	<u>815</u>
Noncurrent liabilities:				
OWDA loans payable	1,054	-	-	1,054
Total noncurrent liabilities	<u>1,054</u>	-	-	<u>1,054</u>
Total liabilities	<u>1,663</u>	<u>206</u>	-	<u>1,869</u>
NET ASSETS				
Invested in capital assets, net of related debt	1,322	583	-	1,905
Unrestricted	3,687	1,570	2,049	7,306
Total net assets	<u>5,009</u>	<u>2,153</u>	<u>2,049</u>	<u>9,211</u>
Total liabilities and net assets	<u>\$ 6,672</u>	<u>\$ 2,359</u>	<u>\$ 2,049</u>	<u>\$ 11,080</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Sanitary Engineer</u>	<u>Solid Waste</u>	<u>Parking Facilities</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 4,729	\$ 1,828	\$ 391	\$ 6,948
Miscellaneous	97	-	-	97
	<u>4,826</u>	<u>1,828</u>	<u>391</u>	<u>7,045</u>
Total operating revenues				
Operating expenses:				
Personal services	3,699	582	-	4,281
Contract services	483	1,210	167	1,861
Materials and supplies	345	6	-	351
Miscellaneous	-	60	-	60
Heat, light and power	26	-	-	26
Depreciation	215	72	-	286
	<u>4,768</u>	<u>1,930</u>	<u>167</u>	<u>6,865</u>
Total operating expenses				
Operating income	<u>58</u>	<u>(102)</u>	<u>224</u>	<u>180</u>
Nonoperating revenues (expenses):				
Interest and fiscal charges	(68)	-	-	(68)
Loss on disposal of fixed asset	(16)	-	-	(16)
Total nonoperating revenues (expenses)	<u>(84)</u>	<u>-</u>	<u>-</u>	<u>(84)</u>
Increase in net assets	(26)	(102)	224	96
Net assets at beginning of year	<u>5,035</u>	<u>2,255</u>	<u>1,825</u>	<u>9,115</u>
Net assets at end of year	<u>\$ 5,009</u>	<u>\$ 2,153</u>	<u>\$ 2,049</u>	<u>\$ 9,211</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Sanitary Engineer</u>	<u>Solid Waste</u>	<u>Parking Facilities</u>	<u>Total</u>
Cash flows from operating activities:				
Cash received from customers	\$ 4,987	\$ 1,784	\$ 335	\$ 7,106
Cash paid to suppliers	(848)	(1,256)	(208)	(2,312)
Cash paid to employees	(3,634)	(579)	-	(4,213)
Net cash provided by operating activities	<u>505</u>	<u>(51)</u>	<u>127</u>	<u>581</u>
Cash flows from capital and related financing activities:				
Principal payments - OWDA loans	(74)	-	-	(74)
Purchase of fixed assets	(112)	(340)	-	(452)
Interest paid	(68)	-	-	(68)
Net cash used in capital and related financing activities	<u>(254)</u>	<u>(340)</u>	<u>-</u>	<u>(594)</u>
Cash flows from investing activities:				
Proceeds from sales of investments	1,672	1,881	1,339	4,892
Payments for investments	(1,811)	(1,437)	(1,384)	(4,632)
Net cash used in investing activities	<u>(139)</u>	<u>444</u>	<u>(45)</u>	<u>260</u>
Net increase in cash	112	53	82	247
Cash and cash equivalents, January 1	48	38	36	122
Cash and cash equivalents, December 31	<u>\$ 160</u>	<u>\$ 91</u>	<u>\$ 118</u>	<u>\$ 369</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS (continued)
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

**Reconciliation of Operating Income to Net Cash Provided
by Operating Activities**

	<u>Sanitary Engineer</u>	<u>Solid Waste</u>	<u>Parking Facilities</u>	<u>Total</u>
Operating income	\$ 58	\$ (102)	\$ 224	\$ 181
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	215	72	-	286
(Increase) decrease in operating assets:				
Accounts receivable	161	(44)	(56)	61
Increase (decrease) in operating liabilities:				
Accounts payable	6	19	(41)	(16)
Accrued wages and benefits	64	3	-	67
Due to other funds	1	1	-	2
Total adjustments	<u>447</u>	<u>51</u>	<u>(97)</u>	<u>400</u>
Net cash provided by operating activities	<u>\$ 505</u>	<u>\$ (51)</u>	<u>\$ 127</u>	<u>\$ 581</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SANITARY ENGINEER-ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 150	\$ 97	\$ (53)
Miscellaneous	<u>4,525</u>	<u>4,898</u>	<u>373</u>
<i>Total operating revenues</i>	4,675	4,995	320
Operating expenses:			
Personal services	3,707	3,634	73
Materials and supplies	345	339	6
Contract services	588	525	63
Capital outlay and equipment	146	142	4
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total operating expense</i>	<u>4,786</u>	<u>4,640</u>	<u>146</u>
Operating income (loss)	(111)	355	466
Non-operating revenues (expenses):			
<i>Principal retirement</i>	(74)	(74)	0
<i>Interest and fiscal charges</i>	<u>(69)</u>	<u>(68)</u>	<u>1</u>
<i>Total nonoperating revenues (expense)</i>	<u>(143)</u>	<u>(142)</u>	<u>1</u>
Net income (loss)	(254)	213	467
Net assets at beginning of year	2,341	2,341	-
Prior year encumbrances appropriated	70	70	-
Net assets at end of year	<u>\$ 2,157</u>	<u>\$ 2,624</u>	<u>\$ 467</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SOLID WASTE-ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 1,900	\$ 1,785	\$ (115)
Miscellaneous	-	-	-
<i>Total operating revenues</i>	1,900	1,785	(115)
Operating expenses:			
Personal services	602	580	22
Materials and supplies	12	8	4
Contract services	1,464	1,306	158
Capital outlay and equipment	120	86	34
Miscellaneous	400	400	0
<i>Total operating expense</i>	2,598	2,380	218
Operating income (loss)	(698)	(595)	103
Non-operating revenues (expenses):			
<i>Principal retirement</i>	-	-	-
<i>Interest and fiscal charges</i>	-	-	-
<i>Total nonoperating revenues (expense)</i>	-	-	-
Net income (loss)	(698)	(595)	103
Net assets at beginning of year	1,705	1,705	-
Prior year encumbrances appropriated	205	205	-
Net assets at end of year	<u>\$ 1,212</u>	<u>\$ 1,315</u>	<u>\$ 103</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
PARKING FACILITIES-ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 300	\$ 336	\$ 36
Miscellaneous	-	-	-
<i>Total operating revenues</i>	<u>300</u>	<u>336</u>	<u>36</u>
Operating expenses:			
Personal services	-	-	-
Materials and supplies	-	-	-
Contract services	238	209	29
Capital outlay and equipment	-	-	-
Miscellaneous	-	-	-
<i>Total operating expense</i>	<u>238</u>	<u>209</u>	<u>29</u>
Operating income (loss)	62	127	65
Non-operating revenues (expenses):			
<i>Principal retirement</i>	-	-	-
<i>Interest and fiscal charges</i>	-	-	-
<i>Total nonoperating revenues (expense)</i>	<u>-</u>	<u>-</u>	<u>-</u>
Net income (loss)	62	127	65
Net assets at beginning of year	1,840	1,840	-
Prior year encumbrances appropriated	0	0	-
Net assets at end of year	<u>\$ 1,902</u>	<u>\$ 1,967</u>	<u>\$ 65</u>

LUCAS COUNTY, OHIO
INTERNAL SERVICE FUNDS
December 31, 2006

Internal Service Funds - *Internal Service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the governmental unit, or to other governmental units on a cost-reimbursement basis. The following are the Internal Service funds which Lucas County operates:*

Central Supplies - To account for supplies, mailing and copying services provided to various County departments and other governmental units. Users are billed for costs incurred.

Vehicle Maintenance- To account for vehicle maintenance services provided to various County departments and other governmental units. Users are billed for costs incurred.

County-City Telephone - To account for inter-departmental charges for the use of the telephone system. Users are billed for costs incurred.

Self-Funded Health Insurance - To account for claims and administration of the health insurance program for covered County employees and eligible dependents. County departments are billed according to the employee's family or marital status.

Centralized Drug Testing - To account for drug testing charges incurred by the jail and other criminal justice system departments.

Risk Retention Insurance- To account for claims and administration of liability Insurance for county departments. The departments are billed based on the cost of insurance policies.

Self-Funded Workers' Compensation - To account for claims and administration of workers' compensation for county departments. The departments are billed based on their portion of total covered payroll and usage of the program.

Self-Funded Prescription Drug - To Account for claims and administration of the prescription drug program for covered County employees and eligible dependents. County departments are billed according to the employee's family or marital status.

Self-Funded Dental Insurance - To account for claims and administration of the dental insurance program for covered County employees and eligible dependents. County departments are billed according to the employee's family or marital status.

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2006
(Amounts in 000's)

	<u>Central Supplies</u>	<u>Vehicle Mainten- ance</u>	<u>County- City Telephone</u>	<u>Self- Funded Health Insurance</u>
Assets:				
Current assets:				
Pooled cash and cash equivalents	\$ -	\$ 2	\$ 66	\$ 556
Pooled investments	-	26	1,043	8,713
Accounts receivable	-	1	5	-
Due from other funds	48	36	102	-
Inventory: materials and supplies	147	20	-	-
<i>Total current assets</i>	<u>195</u>	<u>85</u>	<u>1,216</u>	<u>9,269</u>
Noncurrent assets-capital assets				
Land	-	83	-	-
Buildings, structures and improvements	-	-	-	-
Furniture, fixtures and equipment	209	156	846	26
Less: accumulated depreciation	(153)	(176)	(840)	(24)
Total noncurrent assets	<u>56</u>	<u>93</u>	<u>6</u>	<u>2</u>
<i>Total assets</i>	<u>251</u>	<u>178</u>	<u>1,222</u>	<u>9,270</u>
Liabilities:				
Current liabilities-				
Accounts Payable	4	22	90	222
Accrued wages and benefits	3	42	5	19
Claims payable-current	-	-	-	3,136
Due to pooled cash	124	-	-	-
Due to other funds	-	-	-	-
<i>Total current liabilities</i>	<u>131</u>	<u>64</u>	<u>95</u>	<u>3,377</u>
Noncurrent Liabilities:				
Claims payable-noncurrent	-	-	-	-
Obligations under capital leases	37	-	-	-
<i>Total noncurrent liabilities</i>	<u>37</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total liabilities</i>	<u>168</u>	<u>64</u>	<u>95</u>	<u>3,377</u>
Net Assets:				
Invested in capital assets, net of related debt	19	93	6	2
Unrestricted	64	21	1,121	5,892
<i>Total net assets</i>	<u>\$ 83</u>	<u>\$ 114</u>	<u>\$ 1,127</u>	<u>\$ 5,894</u>

<u>Centralized Drug Testing</u>	<u>Risk Retention Insurance</u>	<u>Self- Funded Workers' Comp.</u>	<u>Self- Funded Prescription Drug</u>	<u>Self- Funded Dental Insurance</u>	<u>Total</u>
\$ 22	\$ 619	\$ 710	\$ 192	\$ 139	\$ 2,306
350	9,707	11,141	3,015	2,188	36,183
-	-	-	-	0	6
26	-	-	-	-	212
-	-	-	-	-	167
<u>398</u>	<u>10,326</u>	<u>11,851</u>	<u>3,207</u>	<u>2,327</u>	<u>38,874</u>
-	-	-	-	-	83
-	-	-	-	-	0
-	-	-	-	-	30
-	-	-	-	-	1,237
-	-	-	-	-	(1,193)
-	-	-	-	-	157
<u>398</u>	<u>10,326</u>	<u>11,851</u>	<u>3,207</u>	<u>2,327</u>	<u>39,031</u>
5	12	3	553	-	911
43	8	20	-	-	140
-	-	2,200	715	184	6,235
-	-	-	-	-	124
-	-	-	-	-	-
<u>48</u>	<u>20</u>	<u>2,223</u>	<u>1,268</u>	<u>184</u>	<u>7,410</u>
-	-	4,950	-	-	4,950
-	-	-	-	-	37
-	-	4,950	-	-	4,987
<u>48</u>	<u>20</u>	<u>7,173</u>	<u>1,268</u>	<u>184</u>	<u>12,397</u>
-	-	-	-	-	120
<u>350</u>	<u>10,306</u>	<u>4,678</u>	<u>1,939</u>	<u>2,143</u>	<u>26,514</u>
<u>\$ 350</u>	<u>\$ 10,306</u>	<u>\$ 4,678</u>	<u>\$ 1,939</u>	<u>\$ 2,143</u>	<u>\$ 26,634</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Central Supplies</u>	<u>Vehicle Mainten- ance</u>	<u>County- City Telephone</u>	<u>Self- Funded Health Insurance</u>
Operating revenues:				
Charges for service	\$ 795	\$ 642	\$ 1,562	\$ 21,917
Miscellaneous	-	1	-	-
Total operating revenues	<u>795</u>	<u>643</u>	<u>1,562</u>	<u>21,917</u>
Operating expenses:				
Personal services	74	332	102	240
Contract services	56	62	1,244	758
Materials and supplies	645	320	0	13
Depreciation	28	3	0	2
Miscellaneous	-	-	0	-
Employee medical benefits	-	-	-	24,610
Total operating expenses	<u>803</u>	<u>717</u>	<u>1,346</u>	<u>25,623</u>
Operating income (loss)	<u>(8)</u>	<u>(74)</u>	<u>216</u>	<u>(3,706)</u>
Nonoperating revenues (expenses):				
Interest income	-	-	-	-
Interest and fiscal charges	(3)	-	-	-
Loss on disposal of fixed asset	(7)	-	-	-
Total nonoperating revenues and (expenses)	<u>(10)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Transfers in				3,300
Transfers out	-	-	-	-
Change in net assets	<u>(18)</u>	<u>(74)</u>	<u>216</u>	<u>(406)</u>
Net assets at beginning of year	<u>101</u>	<u>188</u>	<u>911</u>	<u>6,300</u>
Net assets at end of year	<u>\$ 83</u>	<u>\$ 114</u>	<u>\$ 1,127</u>	<u>\$ 5,894</u>

Centralized Drug Testing	Risk Retention Insurance	Self- Funded Workers' Comp.	Self- Funded Prescription Drug	Self- Funded Dental Insurance	Total
\$ 690	\$ 1,751	\$ 1,492	\$ 7,606	\$ 2,381	\$ 38,836
-	-	-	-	-	1
<u>690</u>	<u>1,751</u>	<u>1,492</u>	<u>7,606</u>	<u>2,381</u>	<u>38,837</u>
330	149	121	0	0	1,348
30	1,136	57	45	42	3,430
183	2	1	0	0	1,164
0	0	0	0	0	33
5	26	-	-	0	31
-	69	2,740	6,885	2,084	36,388
<u>548</u>	<u>1,382</u>	<u>2,919</u>	<u>6,930</u>	<u>2,126</u>	<u>42,394</u>
<u>142</u>	<u>369</u>	<u>(1,427)</u>	<u>676</u>	<u>255</u>	<u>(3,557)</u>
-	-	-	-	-	-
-	-	-	-	-	(3)
-	-	-	-	-	(7)
-	-	-	-	-	(10)
-	-	-	-	-	3,300
-	-	-	(3,300)	-	(3,300)
142	369	(1,427)	(2,624)	255	(3,567)
<u>208</u>	<u>9,937</u>	<u>6,105</u>	<u>4,563</u>	<u>1,888</u>	<u>30,201</u>
<u>\$ 350</u>	<u>\$ 10,306</u>	<u>\$ 4,678</u>	<u>\$ 1,939</u>	<u>\$ 2,143</u>	<u>\$ 26,634</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Central Supplies</u>	<u>Vehicle Mainten- ance</u>	<u>County- City Telephone</u>	<u>Self- Funded Health Insurance</u>
Cash flows from operating activities:				
Cash received from customers	\$ 767	\$ 650	\$ 1,554	\$ 21,917
Cash paid to suppliers	(696)	(361)	(1,154)	(24,477)
Cash paid to employees	(73)	(327)	(100)	(232)
Net cash provided by (used in) operating activities	(2)	(38)	300	(2,792)
Cash flows from non capital financing activities:				
Transfers in				3,300
Transfers out	-	-	-	-
Net cash provided by non-capital financing activities	-	-	-	3,300
Cash flows from capital and related financing activities:				
Interest and fiscal charges	(3)			
Purchase of capital assets		(7)	-	-
Principal payments - capital leases	(10)	-	-	-
Net cash used in capital and related financing activities	(13)	(7)	-	-
Cash flows from investing activities:				
Proceeds from sale of investments	26	101	356	6,460
Payments for investments	(11)	(55)	(606)	(6,586)
Net cash provided by (used in) investing activities	15	46	(250)	(126)
Net increase (decrease) in cash and cash equivalents	0	1	50	382
Cash and cash equivalents, January 1	0	1	16	174
Cash and cash equivalents, December 31	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 66</u>	<u>\$ 556</u>

<u>Centralized Drug Testing</u>	<u>Risk Retention Insurance</u>	<u>Self- Funded Workers' Comp.</u>	<u>Self- Funded Prescription</u>	<u>Self- Funded Dental Insurance</u>	<u>Total</u>
\$ 678 (216) (321)	\$ 1,751 (1,222) (173)	\$ 1,492 (3,258) (124)	\$ 7,606 (6,537) -	\$ 2,381 (2,138) -	\$ 38,796 (40,059) (1,350)
141	356	(1,890)	1,069	243	(2,613)
-	-	-	(3,300)	-	3,300 (3,300)
-	-	-	(3,300)	-	-
-	-	-	-	-	(3)
-	-	-	-	-	(7)
-	-	-	-	-	(10)
-	-	-	-	-	(20)
49 (173) (124)	7,562 (7,496) 66	12,658 (10,330) 2,328	6,403 (4,088) 2,315	1,422 (1,567) (145)	35,037 (30,912) 4,125
17 5	422 197	438 272	84 108	98 41	1,492 814
<u>\$ 22</u>	<u>\$ 619</u>	<u>\$ 710</u>	<u>\$ 192</u>	<u>\$ 139</u>	<u>\$ 2,306</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF CASH FLOWS-(continued)
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
	<u>Central Supplies</u>	<u>Vehicle Mainten- ance</u>	<u>County- City Telephone</u>	<u>Self- Funded Health Insurance</u>
Operating Income (loss)	\$ (8)	\$ (74)	\$ 216	\$ (3,706)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	28	3		2
(Increase) decrease in operating assets:				
Accounts receivable	7	1	(4)	
Due from other funds	(35)	6	(4)	
Inventory	(101)	4		
Increase (decrease) in operating liabilities:				
Accounts payable	(18)	17	90	904
Due to other funds				
Due to pooled cash	124			
Accrued wages and benefits	1	5	2	8
Total adjustments	<u>6</u>	<u>36</u>	<u>84</u>	<u>914</u>
Net cash provided by (used in) operating activities	<u>\$ (2)</u>	<u>\$ (38)</u>	<u>\$ 300</u>	<u>\$ (2,792)</u>

<u>Centralized Drug Testing</u>	<u>Risk Retention Insurance</u>	<u>Self- Funded Workers' Comp.</u>	<u>Self- Funded Prescription Drug</u>	<u>Self- Funded Dental Insurance</u>	<u>Total</u>
\$ 142	\$ 369	\$ (1,427)	\$ 676	\$ 255	\$ (3,557)
					33
(12)					4
					(45)
					(97)
2	11	(460)	393	(12)	927
					124
9	(24)	(3)			(2)
<u>(1)</u>	<u>(13)</u>	<u>(463)</u>	<u>393</u>	<u>(12)</u>	<u>944</u>
<u>\$ 141</u>	<u>\$ 356</u>	<u>\$ (1,890)</u>	<u>\$ 1,069</u>	<u>\$ 243</u>	<u>\$ (2,613)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
CENTRAL SUPPLIES-INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 1,135	\$ 754	\$ (381)
Miscellaneous			
<i>Total operating revenues</i>	<u>1,135</u>	<u>754</u>	<u>(381)</u>
Operating expenses:			
Personal services	79	73	6
Materials and supplies	972	761	211
Contract services	93	66	27
Capital outlay and equipment	4	3	1
Miscellaneous			
Claim payments			
Employee medical benefits			
<i>Total operating expense</i>	<u>1,148</u>	<u>903</u>	<u>245</u>
Operating income (loss)	(13)	(149)	(136)
Non-operating revenues:			
<i>Interest income</i>			
<i>Total nonoperating revenues (expense)</i>			
Change in net assets	(13)	(149)	(136)
Net assets at beginning of year	(3)	(3)	
Prior year encumbrances appropriated	17	17	
Net assets at end of year	<u>\$ 1</u>	<u>\$ (135)</u>	<u>\$ (136)</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
VEHICLE MAINTENANCE-INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 673	\$ 649	\$ (24)
Miscellaneous	0	1	(1)
<i>Total operating revenues</i>	673	650	(23)
Operating expenses:			
Personal services	325	325	0
Materials and supplies	340	304	36
Contract services	60	57	3
Capital outlay and equipment	18	17	1
Miscellaneous	-	-	-
Claim payments	-	-	-
Employee medical benefits	-	-	-
<i>Total operating expense</i>	743	703	40
Operating income (loss)	(70)	(53)	17
Non-operating revenues:			
<i>Interest income</i>	-	-	-
<i>Total nonoperating revenues</i>	-	-	-
<i>Income (loss) before operating transfers</i>	(70)	(53)	17
Operating transfer in	-	-	-
Change in net assets	(70)	(53)	17
Net assets at beginning of year	50	50	-
Prior year encumbrances appropriated	23	23	-
Net assets at end of year	<u>\$ 3</u>	<u>\$ 20</u>	<u>\$ 17</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
COUNTY-CITY TELEPHONE-INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 1,532	\$ 1,555	\$ 23
Miscellaneous	-	-	-
<i>Total operating revenues</i>	<u>1,532</u>	<u>1,555</u>	<u>23</u>
Operating expenses:			
Personal services	101	100	1
Materials and supplies	1	-	1
Contract services	1,371	1,192	179
Capital outlay and equipment	11	10	1
Miscellaneous	1	0	1
Claim payments	-	-	-
Employee medical benefits	-	-	-
<i>Total operating expense</i>	<u>1,485</u>	<u>1,302</u>	<u>183</u>
Operating income (loss)	47	253	206
Non-operating revenues:			
<i>Interest income</i>	-	-	-
<i>Total nonoperating revenues</i>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	47	253	206
Net assets at beginning of year	794	794	-
Prior year encumbrances appropriated	14	14	-
Net assets at end of year	<u>\$ 855</u>	<u>\$ 1,061</u>	<u>\$ 206</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SELF-FUNDED HEALTH INSURANCE-INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 25,646	\$ 25,217	\$ (429)
Miscellaneous	-	-	-
<i>Total operating revenues</i>	25,646	25,217	(429)
Operating expenses:			
Personal services	248	233	15
Materials and supplies	38	13	25
Contract services	1,926	1,779	147
Capital outlay and equipment	35	5	30
Miscellaneous	-	-	-
Claim payments	-	-	-
Employee medical benefit	31,785	30,000	1,785
<i>Total operating expense</i>	34,032	32,030	2,002
Operating income (loss)	(8,386)	(6,813)	1,573
Non-operating revenues:			
<i>Interest income</i>	-	-	-
<i>Total nonoperating revenues</i>	-	-	-
<i>Income (loss) before operating transfers..</i>	(8,386)	(6,813)	1,573
Operating transfer in	-	-	-
Change in net assets	(8,386)	(6,813)	1,573
Net assets at beginning of year	1,204	1,204	-
Prior year encumbrances appropriated	7,557	7,557	-
Net assets at end of year	<u>\$ 375</u>	<u>\$ 1,948</u>	<u>\$ 1,573</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
CENTRALIZED DRUG TESTING-INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 592	\$ 677	\$ 85
Miscellaneous	-	-	-
<i>Total operating revenues</i>	<u>592</u>	<u>677</u>	<u>85</u>
Operating expenses:			
Personal services	334	321	13
Materials and supplies	200	192	8
Contract services	30	23	7
Capital outlay and equipment.	5	2	3
Miscellaneous	9	5	4
Claim payments	-	-	-
Employee medical benefit	-	-	-
<i>Total operating expense</i>	<u>578</u>	<u>543</u>	<u>35</u>
Operating income (loss)	14	134	120
Non-operating revenues:			
<i>Interest income</i>	-	-	-
<i>Total nonoperating revenues (expense)</i>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	14	134	120
Net assets at beginning of year	224	224	-
Prior year encumbrances appropriated	7	7	-
Net assets at end of year	<u>245</u>	<u>\$ 365</u>	<u>\$ 120</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
RISK RETENTION INSURANCE-INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 2,300	\$ 1,751	\$ (549)
Miscellaneous	-	-	-
<i>Total operating revenues</i>	2,300	1,751	(549)
Operating expenses:			
Personal services	182	174	8
Materials and supplies	5	3	2
Contract services	1,559	1,129	430
Capital outlay and equipment	5	4	1
Miscellaneous	26	26	0
Claim payments	-	-	-
Employee medical benefit	1,060	192	868
<i>Total operating expense</i>	2,837	1,528	1,309
Operating income (loss)	(537)	223	760
Non-operating revenues:			
<i>Interest income</i>	-	-	-
<i>Total nonoperating revenues (expense)</i>	-	-	-
Change in net assets	(537)	223	760
Net assets at beginning of year	9,903	9,903	-
Prior year encumbrances appropriated	68	68	-
Net assets at end of year	<u>\$ 9,434</u>	<u>\$ 10,194</u>	<u>\$ 760</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SELF FUNDED WORKERS COMP.-INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 1,300	\$ 1,492	\$ 192
Miscellaneous	-	-	-
<i>Total operating revenues</i>	1,300	1,492	192
Operating expenses:			
Personal services	174	124	50
Materials and supplies	4	2	2
Contract services	143	67	76
Capital outlay and equipment	21	2	19
Miscellaneous	-	-	-
Claim payment	-	-	-
Employee medical benefit	4,000	3,199	801
<i>Total operating expense</i>	4,342	3,394	948
Operating income (loss)	(3,042)	(1,902)	1,140
Non-operating revenues (expenses):			
Transfer Out	-	-	-
Net income (loss)	-	-	-
Change in net assets	(3,042)	(1,902)	1,140
Net assets at beginning of year	13,736	13,736	-
Prior year encumbrances appropriated	5	5	-
Net assets at end of year	<u>\$ 10,699</u>	<u>\$ 11,839</u>	<u>\$ 1,140</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SELF-FUNDED PRESCRIPTION DRUG-INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 7,444	\$ 7,606	\$ 162
Miscellaneous	100	-	(100)
<i>Total operating revenues</i>	7,544	7,606	62
Operating expenses:			
Personal services	-	-	-
Materials and supplies	-	-	-
Charges and Services	143	134	9
Capital outlay and equipment	-	-	-
Miscellaneous	-	-	-
Claim payment	-	-	-
Employee medical benefit	10,945	8,664	2,281
<i>Total operating expense</i>	11,088	8,798	2,290
Operating income (loss)	(3,544)	(1,192)	2,352
Other financing sources:			
<i>Operating transfer out</i>	(3,300)	(3,300)	-
<i>Total other financing sources:</i>	(3,300)	(3,300)	-
Change in net assets	(6,844)	(4,492)	2,352
Net assets at beginning of year	1,405	1,405	-
Prior year encumbrances appropriated	4,033	4,033	-
Net assets at end of year	<u>\$ (1,406)</u>	<u>\$ 946</u>	<u>\$ 2,352</u>

LUCAS COUNTY, OHIO
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL-
(NON-GAAP BUDGETARY BASIS)
SELF-FUNDED DENTAL INSURANCE-INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Revised Budget</u>	<u>Actual Amounts</u>	<u>Variance: Positive (Negative)</u>
Operations revenues:			
Charges for services	\$ 2,082	\$ 2,381	\$ 299
Miscellaneous	-	-	-
<i>Total operating revenues</i>	2,082	2,381	299
Operating expenses:			
Personal services	-	-	-
Materials and supplies	-	-	-
Contract services	82	82	0
Capital outlay and equipment	-	-	-
Miscellaneous	-	-	-
Claim payment	-	-	-
Employee medical benefit	3,176	3,176	0
<i>Total operating expense</i>	3,258	3,258	0
Operating income (loss)	(1,176)	(877)	299
Non-operating revenues:			
<i>Interest income</i>	-	-	-
<i>Total nonoperating revenues (expense)</i>	-	-	-
Change in net assets	(1,176)	(877)	299
Net assets at beginning of year	1,044	1,044	-
Prior year encumbrances appropriated	1,040	1,040	-
Net assets at end of year	<u>\$ 908</u>	<u>\$ 1,207</u>	<u>\$ 299</u>

LUCAS COUNTY, OHIO
AGENCY FUNDS
December 31,2006

Agency Funds- Agency funds maintain assets held by Lucas County as an agent for individuals, private organizations, other governmental units and/or other funds. The following are the Agency funds which Lucas County maintains.

Payroll Fund- To maintain and account for the accumulation of payroll withholdings until payment is remitted to third parties.

Real Estate Fund, General Personal Fund, Estate Tax Fund and Hotel Lodging Tax Fund- These various and separate funds maintain and account for the accumulation and disbursement of taxes for: real property, intangible property, estate tax and hotel lodging tax.

Local Government Fund- To maintain and account for the accumulation and disbursement of state revenue sharing monies.

Auto License Fund- To maintain and account for the accumulation and disbursement of automobile license and registration fee collections.

Gasoline Tax Fund- To maintain and account for the accumulation and disbursement of gasoline tax collections

Trailer Tax Fund- To maintain and account for the accumulation and disbursement of mobile home tax collections.

Clerk of Courts, Common Pleas Court, Common Pleas Court-Probate, Child Support Enforcement Agency, Juvenile Court, Sheriff, Children Services, and Prosecutor: These various and separate funds maintain and account for: court fees, alimonies, child support, restitution, boarding home fees, donations, funds held in escrow and other similar resources and uses. These funds are held outside of the County treasury.

Subdivision Advance Fund- To maintain and account for tax advance distributions to subdivisions within Lucas County.

Undivided Interest Fund- To maintain and account for the accumulation and disbursement of the County investment earnings.

Tax Installment Payment Plan (T.I.P.P.) Fund- To account for real estate taxes paid on an installment basis until they can be applied to a current tax bill.

Family and Children Council - To process the accounting transactions as the administrative agent of the council.

Other Agency Funds- To maintain and account for resources and uses for: taxes, research, deposits, licenses and estate. Other Agency funds include:

- Payment in Lieu of Taxes
- Computer Legal Research
- Grain Tax
- Cigarette Licenses
- Escheated Estates
- Law Library
- Coroner Escrow
- Advance Fund

When compared to combined Agency funds, Other Agency funds comprise less than 10% in assets and liabilities.

**LUCAS COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)**

	Beginning Balance January 1, 2006	Additions	Deductions	Ending Balance December 31, 2006
Payroll Fund				
Assets:				
Pooled cash and cash equivalents	<u>\$ 2,034</u>	<u>\$ 198,443</u>	<u>\$ 198,244</u>	<u>\$ 2,233</u>
Liabilities:				
Payroll withholdings	<u>\$ 2,034</u>	<u>\$ 198,443</u>	<u>\$ 198,244</u>	<u>\$ 2,233</u>
Real Estate Fund				
Assets:				
Pooled cash and cash equivalents	<u>\$ 17,268</u>	<u>\$ 483,132</u>	<u>\$ 482,523</u>	<u>\$ 17,877</u>
Liabilities:				
Unapportioned monies	<u>\$ 17,268</u>	<u>\$ 483,132</u>	<u>\$ 482,523</u>	<u>\$ 17,877</u>
General Personal Fund				
Assets:				
Pooled cash and cash equivalents	<u>\$ 2,256</u>	<u>\$ 69,617</u>	<u>\$ 66,566</u>	<u>\$ 5,307</u>
Liabilities:				
Unapportioned monies	<u>\$ 2,256</u>	<u>\$ 69,617</u>	<u>\$ 66,566</u>	<u>\$ 5,307</u>
Prosecutor				
Assets:				
Segregated cash	<u>\$ 98</u>	<u>\$ 167</u>	<u>\$ 159</u>	<u>\$ 106</u>
Liabilities:				
Deposits	<u>\$ 98</u>	<u>\$ 167</u>	<u>\$ 159</u>	<u>\$ 106</u>
Estate Tax Fund				
Assets:				
Pooled cash and cash equivalents	<u>\$ 3,230</u>	<u>\$ 17,638</u>	<u>\$ 15,813</u>	<u>\$ 5,055</u>
Liabilities:				
Unapportioned monies	<u>\$ 3,230</u>	<u>\$ 17,638</u>	<u>\$ 15,813</u>	<u>\$ 5,055</u>
Hotel Lodging Tax Fund				
Assets:				
Pooled cash and cash equivalents	<u>\$ 318</u>	<u>\$ 3,790</u>	<u>\$ 3,920</u>	<u>\$ 188</u>
Liabilities:				
Unapportioned monies	<u>\$ 318</u>	<u>\$ 3,790</u>	<u>\$ 3,920</u>	<u>\$ 188</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
ALL AGENCY FUNDS-(continued)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	Beginning Balance January 1, 2006	Additions	Deductions	Ending Balance December 31, 2006
Local Government Fund				
Assets:				
Pooled cash and cash equivalents	\$ 156	\$ 38,884	\$ 38,902	\$ 138
Due from other governments	<u>14,503</u>	<u>15,600</u>	<u>14,503</u>	<u>15,600</u>
Total assets	<u>\$ 14,659</u>	<u>\$ 54,484</u>	<u>\$ 53,405</u>	<u>\$ 15,738</u>
Liabilities:				
Due to other governments	\$ 10,419	\$ 11,522	\$ 10,419	\$ 11,522
Unapportioned monies	<u>4,240</u>	<u>42,962</u>	<u>42,986</u>	<u>4,216</u>
Total Liabilities	<u>\$ 14,659</u>	<u>\$ 54,484</u>	<u>\$ 53,405</u>	<u>\$ 15,738</u>
Auto License Fund				
Assets:				
Pooled cash and cash equivalents	<u>\$ (192)</u>	<u>\$ 3,497</u>	<u>\$ 3,579</u>	<u>\$ (274)</u>
Liabilities:				
Unapportioned monies	<u>\$ (192)</u>	<u>\$ 3,497</u>	<u>\$ 3,579</u>	<u>\$ (274)</u>
Gasoline Tax Fund				
Assets:				
Pooled cash and cash equivalents	<u>\$ 104</u>	<u>\$ 1,200</u>	<u>\$ 1,116</u>	<u>\$ 188</u>
Liabilities:				
Unapportioned monies	<u>\$ 104</u>	<u>\$ 1,200</u>	<u>\$ 1,116</u>	<u>\$ 188</u>
Trailer Tax Fund				
Assets:				
Pooled cash and cash equivalents	<u>\$ 107</u>	<u>\$ 918</u>	<u>\$ 895</u>	<u>\$ 130</u>
Liabilities:				
Unapportioned monies	<u>\$ 107</u>	<u>\$ 918</u>	<u>\$ 895</u>	<u>\$ 130</u>
Subdivision Advance Fund				
Assets:				
Pooled cash and cash equivalents	<u>\$ -</u>	<u>\$ 442,338</u>	<u>\$ 442,338</u>	<u>\$ -</u>
Liabilities:				
Unapportioned monies	<u>\$ -</u>	<u>\$ 442,338</u>	<u>\$ 442,338</u>	<u>\$ -</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
ALL AGENCY FUNDS-(continued)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Beginning Balance January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance December 31, 2006</u>
Undivided Interest Fund				
Assets:				
Pooled cash and cash equivalents	\$ 115	\$ 10,625	\$ 10,740	\$ -
Liabilities:				
Unapportioned monies	\$ 115	\$ 10,625	\$ 10,740	\$ -
Clerk of Courts				
Assets:				
Pooled cash and cash equivalents	\$ 1,350	\$ -	\$ -	\$ 1,350
Segregated cash	3,362	49,245	48,473	4,134
Total Assets	\$ 4,712	\$ 49,245	\$ 48,473	\$ 5,484
Liabilities:				
Deposits	\$ 4,712	\$ 49,245	\$ 48,473	\$ 5,484
Common Pleas Court				
Assets:				
Segregated cash	\$ 33	\$ 754	\$ 757	\$ 30
Liabilities:				
Deposits	\$ 33	\$ 754	\$ 757	\$ 30
Common Pleas Court-Probate Court				
Assets:				
Segregated cash	\$ 172	\$ 1,082	\$ 1,102	\$ 152
Liabilities:				
Deposits	\$ 172	\$ 1,082	\$ 1,102	\$ 152
Child Support Enforcement Agency				
Assets:				
Segregated cash	\$ 32	\$ 3,213	\$ 3,208	\$ 37
Liabilities:				
Deposits	\$ 32	\$ 3,213	\$ 3,208	\$ 37
Juvenile Court				
Assets:				
Segregated cash	\$ 211	\$ 591	\$ 605	\$ 197
Liabilities:				
Deposits	\$ 211	\$ 591	\$ 605	\$ 197

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
ALL AGENCY FUNDS-(continued)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Beginning Balance January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance December 31, 2006</u>
Sheriff				
Assets:				
Segregated cash	\$ 602	\$ 13,573	\$ 13,362	\$ 813
Liabilities:				
Deposits	\$ 602	\$ 13,573	\$ 13,362	\$ 813
Children Services				
Assets:				
Segregated cash	\$ 1,228	\$ 569	\$ 561	\$ 1,236
Liabilities:				
Deposits	\$ 1,228	\$ 569	\$ 561	\$ 1,236
T.I.P.P. Program				
Assets:				
Segregated cash	\$ -	\$ 12,581	\$ 8,612	\$ 3,969
Liabilities:				
Deposits	\$ -	\$ 12,581	\$ 8,612	\$ 3,969
Family & Children Council				
Assets:				
Segregated cash	180	5,616	5,302	494
Liabilities:				
Deposits	180	5,616	5,302	494
Other Agency Funds				
Assets:				
Pooled cash and cash equivalents	\$ 100	\$ 1,131	\$ 1,131	\$ 100
Liabilities:				
Deposits held due to others	\$ 13			\$ 13
Unapportioned monies	\$ 87	\$ 1,131	\$ 1,131	\$ 87
<i>Total Liabilities</i>	<u>\$ 100</u>	<u>\$ 1,131</u>	<u>\$ 1,131</u>	<u>\$ 100</u>

LUCAS COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN
ASSETS AND LIABILITIES
ALL AGENCY FUNDS-(continued)
YEAR ENDED DECEMBER 31, 2006
(Amounts in 000's)

	<u>Beginning Balance January 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance December 31, 2006</u>
Total				
Assets:				
Pooled cash and cash equivalents	\$ 26,846	\$ 1,271,213	\$ 1,265,767	\$ 32,292
Segregated cash	5,918	87,391	82,141	11,168
Due from other governments	<u>14,503</u>	<u>15,600</u>	<u>14,503</u>	<u>15,600</u>
<i>Total Assets</i>	<u>\$ 47,267</u>	<u>\$ 1,374,204</u>	<u>\$ 1,362,411</u>	<u>\$ 59,060</u>
Liabilities:				
Unapportioned monies	\$ 27,533	\$ 1,076,848	\$ 1,071,607	\$ 32,774
Deposits	7,281	87,391	82,141	12,531
Payroll withholding	2,034	198,443	198,244	2,233
Due to other governments	<u>10,419</u>	<u>11,522</u>	<u>10,419</u>	<u>11,522</u>
<i>Total Liabilities</i>	<u>\$ 47,267</u>	<u>\$ 1,374,204</u>	<u>\$ 1,362,411</u>	<u>\$ 59,060</u>

Polar Cubs Invade Lucas County!



The Toledo Zoo is nationally recognized as one of the most comprehensive zoological institutions in the nation while also serving as a top tourist attraction for Lucas County.

The Toledo Zoo not only engages in innovative exhibits, such as the world's first hippoquarium, but it also continually brings many unique exhibits to its collection. It is one of only two zoos to have Saddle-Billed Storks, and it is the only place in the world where you can see the Kihansi Spray Toad and a baby Cape Clawless Otter (2005).



The Toledo Zoo became home to three of only four polar bear cubs born in captivity in 2006.

Toledo Harbor Lighthouse



The Toledo Harbor Lighthouse is located at the mouth of the Maumee River in Lake Erie. Construction started in 1901, and the light was activated May 23, 1904. Since that time, the lighthouse has welcomed freighters and pleasure boaters alike to the River's entrance.

The Toledo Harbor Lighthouse is being transformed into a tourist attraction by the Toledo Lighthouse Preservation Society. The Preservation Society will soon begin fund raising, with immediate plans to build an access dock and a ramp utilizing grant money from the Lake Erie Protection Fund.

Statistical Section

This part of Lucas County Ohio'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 Tables

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial position has changed over time.

Page 178

Revenue Capacity

These schedules contain information to help the reader understand and assess the factors' effect on the County's ability to generate its most significant local revenue source, the property tax.

Page 186

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.

Page 200

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 and to provide information that facilitates comparison of financial information over time and among governments.

Page 206

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 and activities the County provides.

Page 210

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. In accordance with GASB 34, schedules presenting government-wide information include information beginning in 2001.

**TABLE 1
LUCAS COUNTY, OHIO
NET ASSETS BY COMPONENT
LAST SIX FISCAL YEARS**

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Governmental Activities						
Invested in capital assets, net of related debt	\$ 154,881	\$ 163,910	\$ 166,931	\$167,654	\$ 160,498	\$ 144,625
Restricted	14,946	18,027	21,302	18,599	13,461	30,315
Unrestricted	<u>332,722</u>	<u>298,662</u>	<u>299,322</u>	<u>296,783</u>	<u>298,174</u>	<u>258,280</u>
<i>Total Governmental Activities Net Assets</i>	<u>502,549</u>	<u>480,599</u>	<u>487,555</u>	<u>483,036</u>	<u>472,133</u>	<u>433,220</u>
Business-Type Activities						
Invested in capital assets, net of related debt	80,269	80,389	75,052	73,119	71,495	68,850
Unrestricted	<u>22,109</u>	<u>21,533</u>	<u>18,333</u>	<u>16,747</u>	<u>15,787</u>	<u>13,505</u>
<i>Total Business-Type Activities Net Assets</i>	<u>102,378</u>	<u>101,922</u>	<u>93,385</u>	<u>89,866</u>	<u>87,282</u>	<u>82,355</u>
Primary Government						
Invested in capital assets, net of related debt	235,150	244,299	241,983	240,773	231,993	213,475
Restricted	14,946	18,027	21,302	18,599	13,461	30,315
Unrestricted	<u>354,831</u>	<u>320,195</u>	<u>317,655</u>	<u>313,530</u>	<u>313,961</u>	<u>271,785</u>
<i>Total Primary Government Net Assets</i>	<u>\$ 604,927</u>	<u>\$ 582,521</u>	<u>\$ 580,940</u>	<u>\$ 572,902</u>	<u>\$ 559,415</u>	<u>\$ 515,575</u>

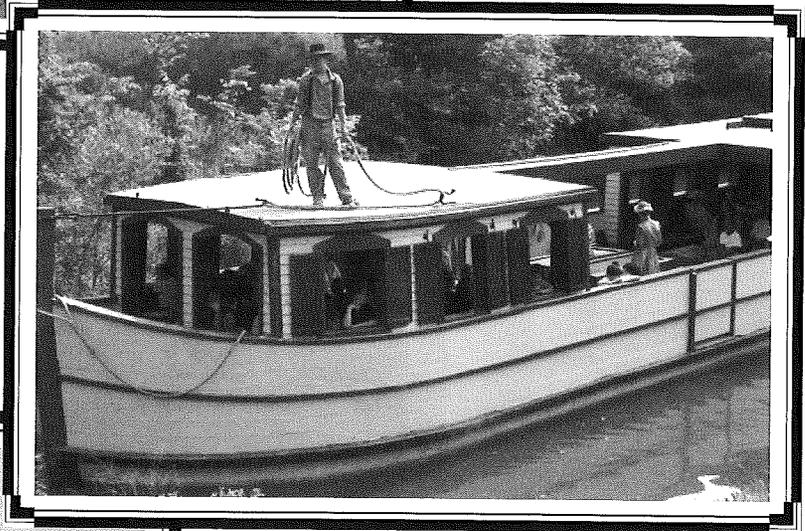
TABLE 2
LUCAS COUNTY, OHIO
CHANGES IN NET ASSETS
LAST SIX FISCAL YEARS

<u>Program Revenues</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Primary Government:						
Governmental activities:						
Charges for services						
General government -						
Legislative and executive	\$ 21,278	\$ 19,776	\$ 20,481	\$ 19,770	\$ 18,822	\$ 17,189
Judicial	4,206	4,249	4,014	3,894	3,437	5,579
Public safety	1,354	1,403	1,387	853	690	2
Public works	262	247	214	191	148	233
Health	1,815	1,845	1,545	1,491	1,473	1,370
Human services	969	444	69			
Conservation and recreation	532	539	595	308	567	649
Operating grants and contributions	204,563	191,932	183,172	175,913	176,357	187,560
Capital grants and contributions	5,342	3,856	2,549	1,839	734	5,467
Total Governmental Activities Program Revenues	240,321	224,291	214,026	204,259	202,228	218,049
Business-type activities:						
Charges for services						
Water supply	724	1,043	1,016	840	930	799
Wastewater treatment	4,294	5,000	4,802	5,025	4,501	3,592
Sewer	199	524	597	625	572	507
Sanitary engineer	4,729	4,466	4,234	3,951	4,216	3,015
Solid waste	1,828	1,978	2,141	1,908	1,942	1,970
Parking facilities	391	310	319	297	373	300
Operating grants and contributions	2,304	2,652	2,902	1,575	1,785	3,014
Total Business-Type Activities Program Revenues	14,469	15,973	16,011	14,221	14,319	13,197
Total Primary Government Program Revenues	254,790	240,264	230,037	218,480	216,547	231,246
Expenses						
Governmental activities:						
Charges for services						
General government -						
Legislative and executive	48,609	47,238	44,370	41,924	40,040	45,568
Judicial	60,813	59,625	55,222	54,861	54,451	56,599
Public safety	84,697	69,737	64,095	59,439	57,112	61,840
Public works	23,047	31,922	36,273	35,167	27,746	29,134
Health	113,676	106,157	100,803	89,542	92,265	91,586
Human services	132,907	119,321	108,666	119,365	111,321	123,391
Conservation and recreation	7,090	6,686	6,766	8,950	6,052	7,794
Miscellaneous			13,215	18,732	15,832	13,858
Interest and fiscal charges	4,189	4,706	5,269	5,840	6,809	6,975
Total Governmental Activities Expense	475,028	445,392	434,679	433,820	411,628	436,745
Business-type activities:						
Water supply	2,703	2,768	2,459	2,511	2,369	2,565
Wastewater treatment	4,876	4,412	4,833	4,339	3,869	3,360
Sewer	2,692	2,885	3,025	2,126	2,182	2,847
Sanitary engineer	4,852	4,297	4,106	4,005	3,751	3,600
Solid waste	1,930	1,476	1,907	1,730	1,754	1,551
Parking facilities	167	191	149	110	100	76
Total Business-Type Activities Program Expense	17,220	16,029	16,479	14,821	14,025	13,999
Total Primary Government Program Expense	492,248	461,421	451,158	448,641	425,653	450,744

TABLE 2
LUCAS COUNTY, OHIO
CHANGES IN NET ASSETS (continued)
LAST SIX FISCAL YEARS

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Net (Expense)/Revenue						
Governmental Activities	(234,707)	(221,101)	(220,653)	(229,561)	(209,400)	(218,696)
Business-Type Activities	(2,751)	(56)	(468)	(600)	294	(802)
Total Primary Government Net Expense	<u>(237,458)</u>	<u>(221,157)</u>	<u>(221,121)</u>	<u>(230,161)</u>	<u>(209,106)</u>	<u>(219,498)</u>
General Revenues:						
Property Tax	110,923	100,445	106,433	106,578	106,090	192,534
Sales Tax	71,271	70,827	70,107	67,087	75,328	73,740
Other Tax	18,954	8,742	8,092	6,496	18,270	17,034
Charges for services not restricted to specific programs	-	757	78	33	228	286
Intergovernmental revenue not restricted to specific program:	24,624	5,208	10,872	7,508	1,254	1,726
Investment Income	11,576	7,061	3,171	4,124	9,339	12,468
Miscellaneous	19,309	19,837	25,211	47,504	(871)	1,346
Gain on early extinguishment of debt			1,208		38,580	43,382
Capital contributions not restricted to specific programs				1,134		
Transfers		1,268			95	(47)
Total Governmental Activities	<u>256,657</u>	<u>214,145</u>	<u>225,172</u>	<u>240,464</u>	<u>248,313</u>	<u>342,469</u>
Business-Type Activities						
Capital contributions not restricted to specific programs	3,207	9,861	3,987	4,318	4,728	5,790
Transfers		(1,268)		(1,134)	(95)	47
Total Business-Type Activities	<u>3,207</u>	<u>8,593</u>	<u>3,987</u>	<u>3,184</u>	<u>4,633</u>	<u>5,837</u>
Total Primary Government	<u>259,864</u>	<u>222,738</u>	<u>229,159</u>	<u>243,648</u>	<u>252,946</u>	<u>348,306</u>
Change in Net Assets						
Governmental Activities	21,950	(6,956)	4,519	10,903	38,913	123,773
Business-Type Activities	456	8,537	3,519	2,584	4,927	5,035
Total Primary Government Change in Net Assets	<u>\$ 22,406</u>	<u>\$ 1,581</u>	<u>\$ 8,038</u>	<u>\$ 13,487</u>	<u>\$ 43,840</u>	<u>\$ 128,808</u>

Rural Americana



Although many urban amenities are located within its jurisdiction, Lucas County also preserves its historic rural flavor. Take a trip back in time with a visit to the historic Isaac

Ludwig Mill or a ride on the Miami and Erie Canal at the Providence Metropark. Under mule driven power, you can experience the spirit of the commerce that took place in our own back yard over 150 years ago.

TABLE 3
LUCAS COUNTY, OHIO
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Amounts in 000's)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund					
Reserved	\$ 1,503	\$ 1,429	\$ 434	\$ 692	\$ 1,579
Unreserved	40,597	37,023	35,663	35,678	35,985
<i>Total General Fund</i>	<u>42,100</u>	<u>38,452</u>	<u>36,097</u>	<u>36,370</u>	<u>37,564</u>
All Other Governmental Funds					
Reserved	26,985	25,559	33,993	26,446	23,924
Undesignated, Reported in:					
Special Revenue funds	86,249	83,586	78,226	79,750	81,059
Debt Service funds	5,140	7,682	9,689	16,542	12,907
Capital Projects funds	9,806	10,345	5,693	2,057	554
<i>Total All Other Governmental Funds</i>	<u>128,180</u>	<u>127,172</u>	<u>127,601</u>	<u>124,795</u>	<u>118,444</u>
Total Governmental Funds	<u>\$ 170,280</u>	<u>\$ 165,624</u>	<u>\$ 163,698</u>	<u>\$ 161,165</u>	<u>\$ 156,008</u>

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 2,290	\$ 1,963	\$ 1,615	\$ 1,984	\$ 1,870
33,722	31,007	22,749	24,817	21,247
<u>36,012</u>	<u>32,970</u>	<u>24,364</u>	<u>26,801</u>	<u>23,117</u>
23,055	20,480	28,411	22,858	18,176
75,798	72,314	67,259	65,833	59,236
10,542	6,139	5,986	6,652	7,372
19,672	1,717	15,015	5,499	(2,390)
<u>129,067</u>	<u>100,650</u>	<u>116,671</u>	<u>100,842</u>	<u>82,394</u>
<u>\$ 165,079</u>	<u>\$ 133,620</u>	<u>\$ 141,035</u>	<u>\$ 127,643</u>	<u>\$ 105,511</u>

TABLE 4
LUCAS COUNTY, OHIO
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Amounts in 000's)

	2006	2005	2004	2003	2002
Revenues:					
Taxes	\$ 178,489	\$ 182,826	\$ 180,615	\$ 176,430	\$ 175,855
Charges for services	29,579	28,503	28,383	25,809	24,727
Licenses and permits	30	33	72	54	37
Fines and forfeits	807	724	648	677	601
Special assessments	2,370	2,525	2,035	1,763	2,303
Intergovernmental revenue	234,084	201,485	196,518	184,601	178,345
Investment income	11,576	7,061	3,171	4,016	9,192
Net change in fair value of investment					(871)
Miscellaneous revenue	19,606	19,837	22,456	47,504	38,431
<i>Total revenues</i>	<u>476,541</u>	<u>442,994</u>	<u>433,898</u>	<u>440,854</u>	<u>428,620</u>
Expenditures:					
Current:					
General government:					
Legislative and executive	44,859	41,594	38,169	36,018	36,299
Judicial	58,831	57,563	54,428	54,682	53,891
Public safety	82,034	66,032	60,969	57,037	58,201
Public works	14,442	16,027	16,638	16,828	13,337
Health	110,574	103,788	100,119	88,949	92,448
Human services	128,676	117,751	107,677	120,302	112,106
Conservation and recreation	6,900	6,524	6,761	8,876	6,002
Miscellaneous	7,148	7,382	13,224	18,804	15,947
Capital outlay	9,553	14,357	17,752	24,778	32,022
Debt service:					
Principal retirement	8,071	10,285	12,176	12,319	11,980
Interest and fiscal charges	4,189	4,706	5,269	5,839	6,809
<i>Total expenditures</i>	<u>475,277</u>	<u>446,009</u>	<u>433,182</u>	<u>444,432</u>	<u>439,042</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,264</u>	<u>(3,015)</u>	<u>716</u>	<u>(3,578)</u>	<u>(10,422)</u>
Other Financing Sources (Uses):					
OPWC loans	500		121	441	920
Payment to refund bonds		(2,925)			(2,015)
Bonds issued	2,892	6,425	1,545	7,250	1,050
Capital leases		173	30	60	1,790
Transfers in	23,688	24,944	30,836	25,108	27,535
Transfers out	(23,688)	(23,676)	(30,715)	(24,124)	(27,629)
<i>Total other financing sources (uses)</i>	<u>3,392</u>	<u>4,941</u>	<u>1,817</u>	<u>8,735</u>	<u>1,651</u>
Net change in fund balances	<u>\$ 4,656</u>	<u>\$ 1,926</u>	<u>\$ 2,533</u>	<u>\$ 5,157</u>	<u>\$ (8,771)</u>

	2001	2000	1999	1998	1997
\$	164,396	\$ 160,829	\$ 157,224	\$ 147,989	\$ 141,051
	24,608	20,673	22,641	26,750	25,182
	34	44	44	47	53
	666	687	808	712	693
	2,581	2,344	2,122	2,313	1,801
	194,753	172,665	153,378	141,453	132,415
	12,179	13,221	10,809	10,569	9,403
	1,346	4,707	(3,282)	1,082	468
	43,382	23,170	22,110	20,698	27,654
	<u>443,945</u>	<u>398,340</u>	<u>365,854</u>	<u>351,613</u>	<u>338,720</u>

	33,864	32,797	32,366	31,178	30,862
	52,245	49,814	46,927	42,298	39,497
	57,947	51,138	46,504	44,937	45,701
	14,679	15,772	17,153	15,151	14,898
	88,096	87,651	81,167	84,043	82,081
	117,364	97,555	82,275	72,653	75,706
	7,631	6,276	6,131	5,730	4,950
	13,833	7,607	7,317	8,226	6,690
	48,311	41,516	12,562	11,050	29,351
	10,846	10,233	10,342	10,000	8,575
	6,975	5,360	5,748	6,309	6,099
	<u>451,791</u>	<u>405,719</u>	<u>348,492</u>	<u>331,575</u>	<u>344,410</u>

	<u>(7,846)</u>	<u>(7,379)</u>	<u>17,362</u>	<u>20,038</u>	<u>(5,690)</u>
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	746	1,560	535	2,460	15,057
	38,585				
	21		681	32	600
	34,330	34,524	37,544	30,083	25,894
	<u>(34,377)</u>	<u>(36,120)</u>	<u>(38,293)</u>	<u>(30,481)</u>	<u>(26,224)</u>
	<u>39,305</u>	<u>(36)</u>	<u>467</u>	<u>2,094</u>	<u>15,327</u>

\$	<u>31,459</u>	\$ <u>(7,415)</u>	\$ <u>17,829</u>	\$ <u>22,132</u>	\$ <u>9,637</u>
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Tax Revenue by Source

Last Ten Fiscal Years

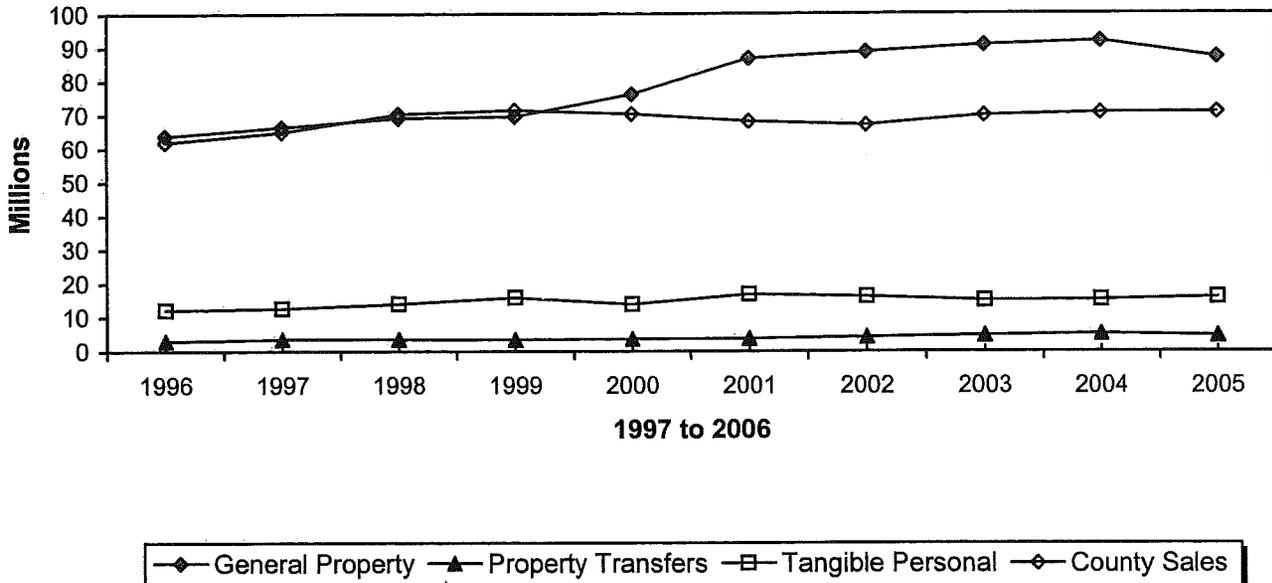


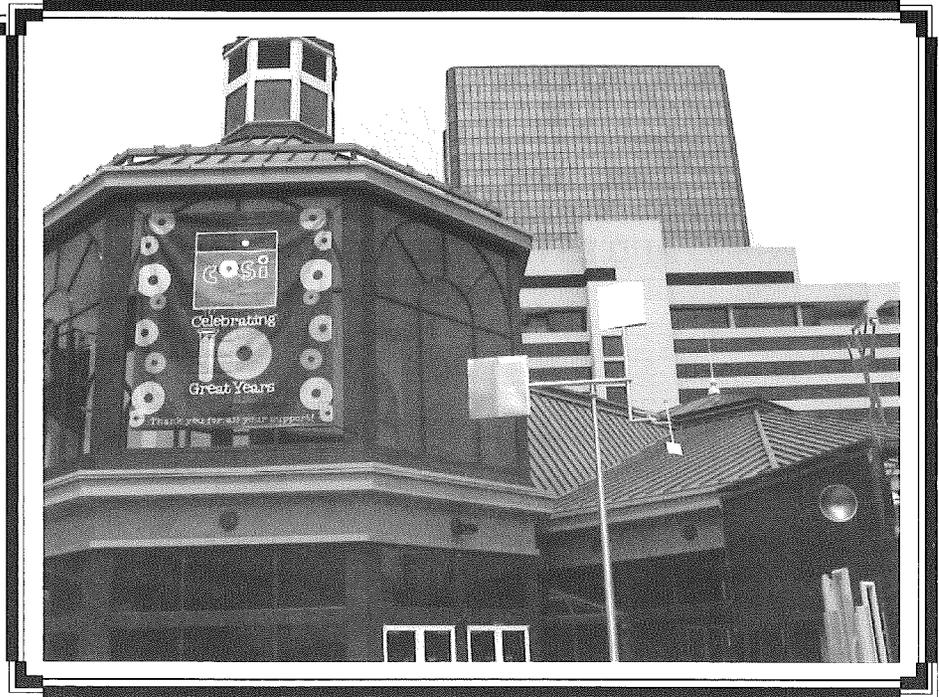
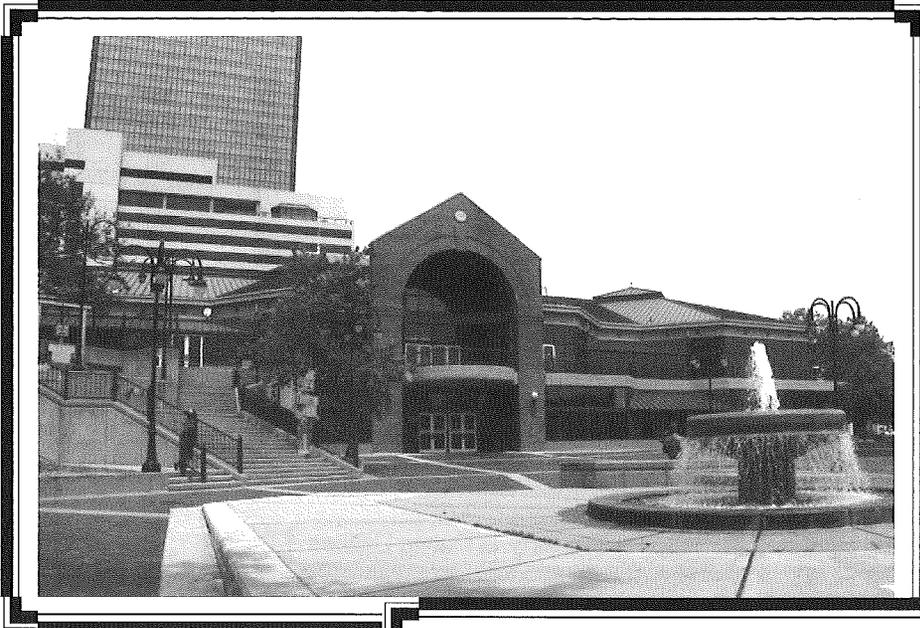
TABLE 5
LUCAS COUNTY, OHIO
TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Amounts in 000's)

Fiscal Year	General Property Tax	Tangible ¹ Personal Tax	Property Transfer Tax	County Sales Tax	Total	Fiscal Year
1997	\$63,821	\$12,289	\$3,006	\$61,935	\$141,051	1997
1998	66,516	12,799	3,629	65,045	147,989	1998
1999	69,124	14,021	3,638	70,441	157,224	1999
2000	69,697	15,960	3,598	71,574	160,829	2000
2001	76,203	13,953	3,760	70,480	164,396	2001
2002	86,817	16,948	3,879	68,211	175,855	2002
2003	88,799	16,226	4,398	67,007	176,430	2003
2004	90,769	15,170	4,718	69,958	180,615	2004
2005	91,873	15,169	5,183	70,601	182,826	2005
2006	87,093	16,051	4,557	70,824	178,525	2006

¹ Tangible Personal Tax includes: personal property tax, mobile home tax and grain tax.

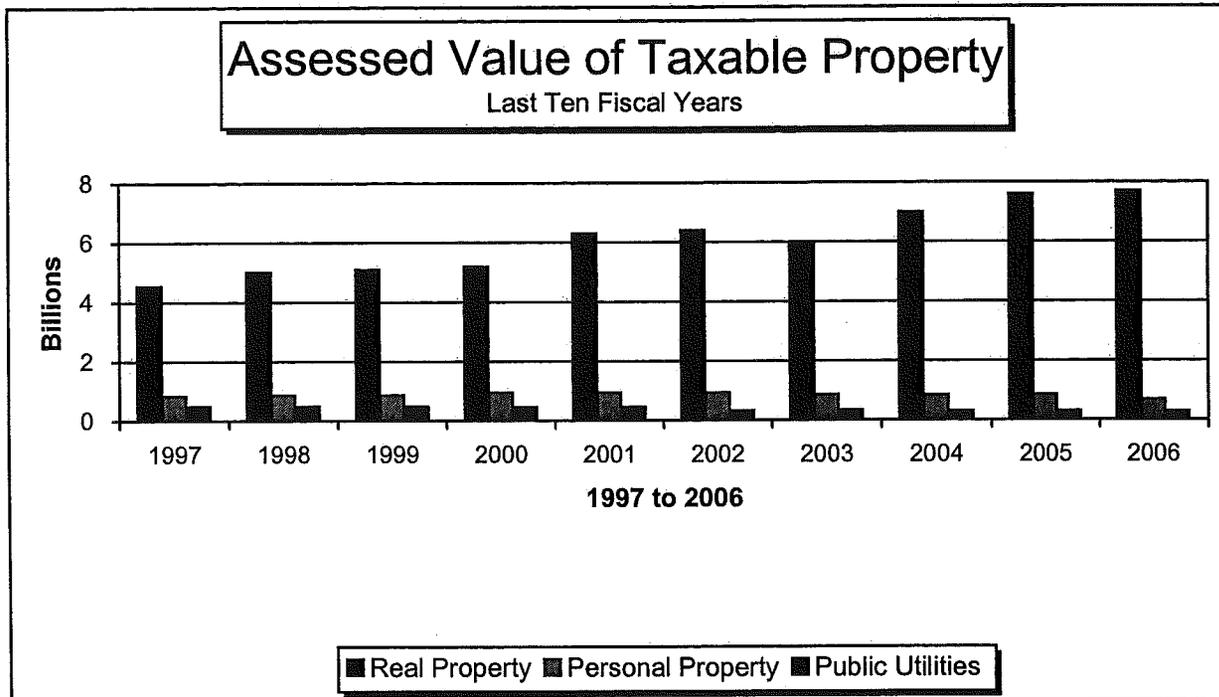
Source: Lucas County Auditor

Center of Science and Industry (COSI)



COSI Toledo is a non-profit science center located on the Maumee River in Downtown Toledo, focused on educating the community through hands-on exhibits, demonstrations and experiences.

In 2005, COSI Toledo received the Institute of Museum and Library Services national award for Community Service, the country's highest honor for extraordinary community service provided by a museum. With over 300 exhibits designed to explore the imagination, there are plenty of opportunities for kids of all ages to explore science and discover fun.



**TABLE 6
LUCAS COUNTY, OHIO
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY¹
LAST TEN FISCAL YEARS
(Amounts in 000's)**

Tax/Levy Collection Year	Real Property ²		Personal Property ³	
	Assessed	Estimated Actual	Assessed	Estimated Actual
1996/1997	4,550,925	13,002,643	841,559	3,366,236
1997/1998	5,014,699	14,327,711	862,362	3,449,448
1998/1999	5,100,496	14,572,846	869,274	3,477,096
1999/2000	5,198,999	14,854,283	934,788	3,739,152
2000/2001	6,388,628	18,253,223	935,000	3,740,000
2001/2002	6,466,039	18,474,397	931,139	3,879,746
2002/2003	6,574,039	18,782,969	868,142	3,472,568
2003/2004	7,430,645	21,230,414	846,481	3,680,352
2004/2005	7,586,932	21,676,949	843,181	3,513,254
2005/2006	7,718,529	22,052,940	680,481	2,029,232

¹ Exempt properties are not included in the estimated actual values or in assessed valuations.

² The estimated actual values for real estate property were derived by 35% of the assessed values of real estate property. Refer to "Note J-Property Tax Revenues" in the Notes to the Financial Statements.

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

Source: Lucas County Auditor

Public Utility³				Assessed Value as a Percent of Estimated Actual Value	Tax/Levy Collection Year
Assessed	Estimated Actual	Assessed	Estimated Actual		
490,200	1,750,714	5,882,684	18,119,593	32.47%	1996/1997
483,823	1,727,940	6,364,073	19,516,528	32.61%	1997/1998
487,012	1,739,329	6,453,593	19,777,882	32.63%	1998/1999
453,059	1,812,236	6,586,846	20,405,671	32.28%	1999/2000
453,115	1,812,460	7,776,743	23,805,683	32.67%	2000/2001
320,729	1,282,916	7,717,907	23,637,059	32.65%	2001/2002
336,019	1,400,079	7,778,200	23,655,616	32.88%	2002/2003
302,575	1,210,300	8,579,701	26,121,066	32.85%	2003/2004
298,498	1,193,992	8,728,611	26,384,195	33.08%	2004/2005
280,302	1,121,208	8,679,312	25,203,380	34.44%	2005/2006

TABLE 7
LUCAS COUNTY, OHIO
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS¹
LAST TEN FISCAL YEARS
(Per \$1,000 of Assessed Valuation)

Taxable Year: Collection Year:	1996 <u>1997</u>	1997 <u>1998</u>	1998 <u>1999</u>	1999 <u>2000</u>
Lucas County Entities:				
General Fund	\$2.00	\$2.00	\$2.00	\$2.00
Board of Mental Retardation	4.50	4.50	4.50	4.50
Children Services Board	3.50	3.50	3.50	3.50
Community Mental Health	1.50	1.50	1.50	1.50
Senior Services	0.25	0.25	0.25	0.45
9-1-1 Emergency Telephone System	0.70	0.70	0.70	0.70
Zoo (improvements)	0.95	0.95	0.95	0.95
Zoo (operating)	<u>0.70</u>	<u>0.70</u>	<u>0.70</u>	<u>0.70</u>
<i>Total Lucas County Entities</i>	14.10	14.10	14.10	14.30
Other Entities:				
Metroparks	1.00	1.00	1.40	1.40
Toledo-Lucas County Port Authority	0.40	0.40	0.40	0.40
Toledo-Lucas County Library	1.85	1.85	1.85	1.85
Toledo Area Regional Transportation Authority ²	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>
<i>Total Rates</i>	<u>\$19.85</u>	<u>\$19.85</u>	<u>\$20.25</u>	<u>\$20.45</u>

¹ Property tax rates are determined by a combination of the county-wide tax rates and the applicable tax rates for the school district, township and municipality in which the property is located.

² Tarta is not levied in every county taxing district.

Source: Lucas County Auditor

<u>2000 2001</u>	<u>2001 2002</u>	<u>2002 2003</u>	<u>2003 2004</u>	<u>2004 2005</u>	<u>2005 2006</u>
\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
4.50	5.00	5.00	5.00	5.00	5.00
3.50	2.65	2.65	2.40	2.40	2.40
1.50	1.50	1.50	1.50	1.50	1.50
0.45	0.45	0.45	0.45	0.45	0.45
0.70	0.70	0.70	0.70	0.70	0.70
0.95	0.95	0.95	0.95	0.95	0.00
0.70	0.70	0.70	0.70	0.70	0.70
<u>14.30</u>	<u>13.95</u>	<u>13.95</u>	<u>13.70</u>	<u>13.70</u>	<u>12.75</u>
1.40	1.40	1.70	1.70	1.70	1.70
0.40	0.40	0.40	0.40	0.40	0.40
1.70	1.70	1.70	2.50	2.20	2.00
<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>	<u>2.50</u>
<u>\$20.30</u>	<u>\$19.95</u>	<u>\$20.25</u>	<u>\$20.80</u>	<u>\$20.50</u>	<u>\$19.35</u>

Table 7
LUCAS COUNTY, OHIO
PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS¹-continued
LAST TEN FISCAL YEARS
(Per \$1,000 of Assessed Valuation)

Taxable Year: Collection Year:	1996 <u>1997</u>	1997 <u>1998</u>	1998 <u>1999</u>	1999 <u>2000</u>
School Districts:				
Anthony Wayne	\$66.80	\$64.50	\$64.50	\$64.50
Evergreen	42.90	39.70	39.70	47.23
Maumee	64.50	62.30	62.30	62.30
Oregon	49.20	49.20	49.20	49.20
Otsego	51.80	57.20	49.11	57.70
Ottawa Hills	104.30	107.05	107.05	113.20
Springfield	67.40	64.20	64.20	65.10
Swanton	64.60	62.10	62.05	62.05
Sylvania	68.20	66.30	66.30	65.70
Toledo	57.80	57.80	57.80	57.50
Washington	61.70	61.70	61.70	60.70
Joint Vocational School Districts:				
Four County	3.20	3.20	3.20	3.20
Penta County	2.20	2.20	2.20	2.20
Townships:				
Harding	3.30	3.30	3.30	3.30
Jerusalem	9.75	9.75	9.75	9.75
Monclova	5.20	5.20	5.20	5.20
Providence	6.45	4.45	6.95	6.95
Richfield	7.20	7.20	7.20	7.20
Spencer	6.00	6.00	6.00	6.00
Springfield	8.10	8.10	8.10	8.10
Swanton	5.20	5.20	6.10	6.10
Sylvania	16.40	16.40	16.40	16.40
Washington	19.50	19.50	19.50	19.50
Waterville	9.30	9.30	9.30	9.30
Municipalities:				
Village of Berkey	3.00	3.00	3.00	3.00
Village of Harbor View	7.00	7.00	7.00	7.00
Village of Holland	0.80	0.80	0.80	0.80
City of Maumee	4.00	4.00	3.85	3.70
City of Oregon	3.50	3.50	3.50	3.50
Village of Ottawa Hills	4.10	4.10	4.10	4.10
Village of Swanton	3.00	3.00	3.00	4.50
City of Sylvania	6.25	6.25	6.40	6.40
City of Toledo	4.40	4.40	4.40	4.40
Village of Waterville	3.50	3.50	3.50	3.50
Village of Whitehouse	3.50	3.50	3.50	3.50

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

Source: Lucas County Auditor

<u>2000</u> <u>2001</u>	<u>2001</u> <u>2002</u>	<u>2002</u> <u>2003</u>	<u>2003</u> <u>2004</u>	<u>2004</u> <u>2005</u>	<u>2005</u> <u>2006</u>
\$63.70	\$63.70	\$63.70	\$68.20	\$68.20	\$68.20
47.23	47.23	47.88	47.88	47.88	47.15
62.30	62.30	62.30	71.74	72.45	75.75
49.20	49.20	49.20	55.10	59.50	59.50
56.90	56.90	47.40	43.50	49.60	49.30
113.10	113.10	114.35	114.65	120.35	120.35
64.10	64.10	68.10	67.90	67.35	67.35
68.74	68.74	68.11	68.11	67.78	67.78
65.20	65.20	70.10	70.00	74.90	74.90
63.00	63.00	67.99	67.60	67.35	67.35
65.90	65.90	65.90	65.90	69.80	69.80
3.20	3.20	3.20	3.20	4.30	3.20
2.20	2.20	2.20	3.20	4.30	3.20
4.30	4.30	4.30	4.30	4.30	4.80
9.75	9.75	9.75	9.75	9.75	9.75
5.20	5.20	5.20	5.20	5.20	5.20
6.95	6.95	6.95	6.95	6.95	6.95
7.20	7.20	5.80	8.64	8.64	8.64
6.00	6.00	6.00	6.00	6.00	6.00
8.10	8.10	8.10	8.10	8.10	8.10
6.10	6.10	6.10	6.10	4.90	4.90
16.72	16.72	18.42	18.42	20.92	20.92
19.50	19.50	19.50	24.25	24.25	22.95
10.80	10.80	9.60	9.60	10.50	10.50
3.00	3.00	3.00	3.00	1.00	3.00
7.00	7.00	7.00	7.00	7.00	7.00
0.80	0.80	0.80	0.80	0.80	0.80
3.70	3.70	3.70	3.70	3.70	3.70
3.50	3.50	3.50	3.50	3.50	3.50
4.10	4.10	4.10	4.10	4.10	4.10
4.50	4.50	4.50	4.50	4.50	4.50
6.40	6.40	6.30	6.25	6.25	6.25
4.40	4.40	4.40	4.40	4.40	4.40
3.50	3.50	3.50	3.50	3.50	3.50
3.50	3.50	3.50	3.50	3.50	3.50

**LUCAS COUNTY, OHIO
TOP TEN PRIVATE SECTOR PRINCIPAL TAXPAYERS
AS OF DECEMBER 31, 2006, AND DECEMBER 31, 1997
(Amounts in 000's)**

<u>Firm</u>	<u>2006 Assessed Real Estate Values</u>	<u>2006 Assessed Personal Property Values</u>	<u>2006 Assessed Property Values</u>	<u>2006 Percent' Firms Assessed Value to Total 2006 Assessed Property Values</u>
Sunoco Inc R&M.	\$4,467	\$58,128	\$62,595	0.60%
Westfield Shopping Town	53,092	226	53,318	0.55%
General Motors Hydra-Matic	8,684	42,553	51,237	0.53%
BP America	3,455	41,800	45,255	0.46%
Daimler Chrysler	22,329	20,758	43,087	0.45%
D-Serf Co.	31,935	2,800	34,735	0.36%
The Andersons	12,704	13,148	25,852	0.27%
Johns Manville	3,628	16,876	20,504	0.21%
Meijer Stores	14,006	5,959	19,965	0.20%
AERC	19,097		19,097	0.20%
Totals	\$173,397	\$202,248	\$375,645	3.83%

* Refer to: "Table 6-Assessed and Estimated Actual Value of Taxable Property" in this section.

Source: Lucas County Auditor

**LUCAS COUNTY, OHIO
TOP FIVE PUBLIC UTILITY TAXPAYERS
AS OF DECEMBER 31, 2006, AND DECEMBER 31, 1997
(Amounts in 000's)**

<u>Utility</u>	<u>2006 Assessed Public Utility Values</u>	<u>2005 Assessed Public Utility Values</u>	<u>2006 Percent of Utilities Assessed Value to Total 2005 Assessed Value</u>	<u>2006 Percent of Utilities Assessed Value to Total 2006 Assessed Value</u>
Toledo Edison	\$128,066	\$112,140	14.2%	40.0%
Ohio Bell	39,620	47,814	(17.1%)	17.1%
Columbia Gas	25,095	23,687	5.90%	8.5%
American Transmission System	24,004	23,954	0.2%	8.6%
Northfolk Southern	8,340	10,917	(23.6%)	3.0%
Totals	\$225,125	\$218,512	3.0%	77.2%

Source: Lucas County Auditor

TABLE 8
LUCAS COUNTY, OHIO
TOP TEN PRIVATE SECTOR PRINCIPAL TAXPAYERS (CONTINUED)
AS OF DECEMBER 31, 1997
(Amounts in 000's)

<u>Firm</u>	<u>1997 Assessed Real Estate Values</u>	<u>1997 Assessed Personal Property Values</u>	<u>1997 Assessed Property Values</u>	<u>1997 Percent' Firms Assessed Value to Total 1997 Assessed Property Values</u>
Sun Oil Company	\$4,424	\$69,184	\$73,608	1.16%
BP America	6,600	41,976	48,575	0.77%
General Motors Hydra-Matic	8,692	32,769	41,461	0.65%
Chrysler/Jeep	5,228	27,364	32,593	0.51%
The Andersons	12,731	16,069	28,799	0.45%
General Mills	3,209	21,471	24,680	0.39%
Meijer Stores	13,894	10,078	23,972	0.38%
Schuller International	3,561	20,351	23,912	0.38%
Toledo Edison	20,776		20,776	0.33%
Ford Motor Corp.	4,038	13,783	17,821	0.28%
Totals	<u>\$83,153</u>	<u>\$253,045</u>	<u>\$336,197</u>	<u>5.30%</u>

¹ Refer to: "Table 6-Assessed and Estimated Actual Value of Taxable Property" in this section.

Source: Lucas County Auditor

LUCAS COUNTY, OHIO
TOP FIVE PUBLIC UTILITY TAXPAYERS
AS OF DECEMBER 31, 1997 AND DECEMBER 31, 1996
(Amounts in 000's)

<u>Utility</u>	<u>1997 Assessed Public Utility Values</u>	<u>1996 Assessed Public Utility Values</u>	<u>1997 Percent of Utilities Assessed Value to Total 1996 Assessed Value</u>	<u>1997 Percent of Utilities Assessed Value to Total 1997 Assessed Value</u>
Toledo Edison	\$256,027	\$256,933	4.03%	4.47%
Ohio Bell	99,006	106,596	1.56%	1.84%
Columbia Gas	77,253	73,161	1.22%	1.27%
GTE North, Inc.	12,750	14,522	0.20%	0.25%
ANR Pipeline Co.	4,628	4,820	0.07%	0.08%
Totals	<u>\$449,664</u>	<u>\$456,032</u>	<u>7.08%</u>	<u>7.91%</u>

Source: Lucas County Auditor

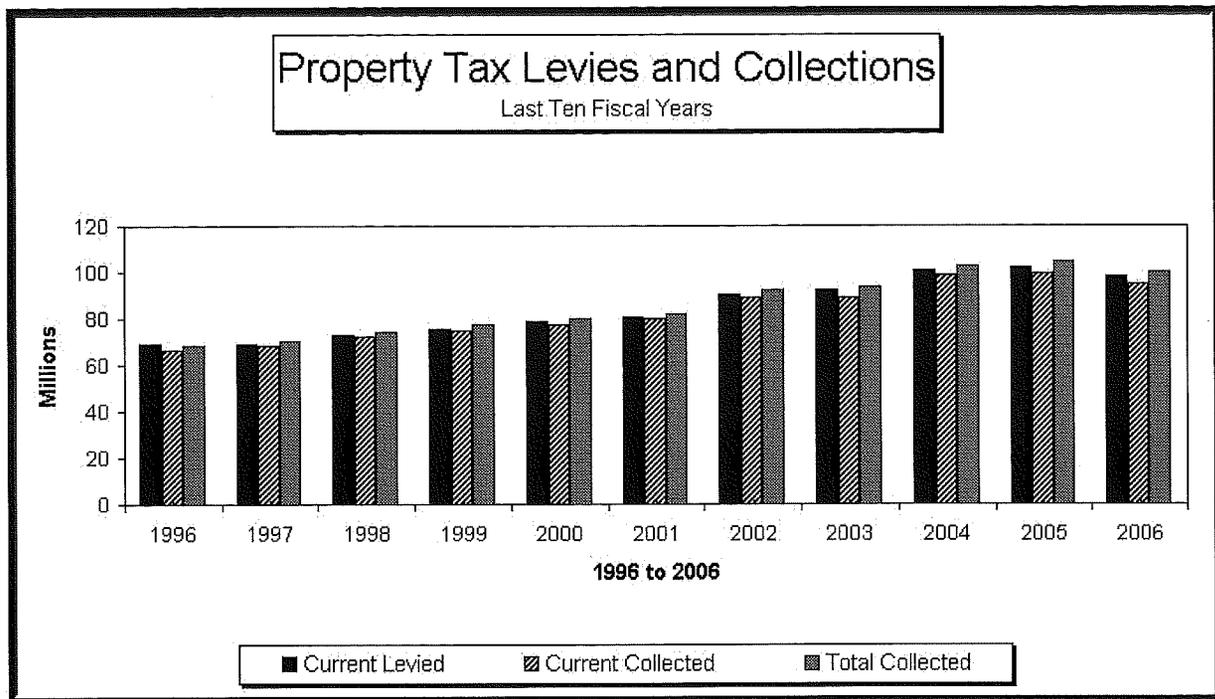


TABLE 9
LUCAS COUNTY, OHIO
PROPERTY TAX LEVIES AND COLLECTIONS-REAL AND PUBLIC UTILITY¹
LAST TEN FISCAL YEARS
(Amounts in 000's)

<u>Tax/Levy Collection Year</u>	<u>Current Taxes Levied</u>	<u>Current Taxes Collected</u>	<u>Current Taxes Collected as a Percent of Taxes Levied-Current</u>	<u>Delinquent Taxes Collected</u>
1996/1997	69,220	68,126	98.42%	2,268
1997/1998	73,217	72,021	98.37%	2,551
1998/1999	75,699	74,647	98.61%	2,467
1999/2000	78,647	77,499	98.54%	2,436
2000/2001	80,974	79,938	98.72%	1,846
2001/2002	90,273	88,991	98.58%	3,223
2002/2003	92,225	89,118	96.63%	4,749
2003/2004	100,917	98,993	98.10%	3,660
2004/2005	101,918	99,110	97.20%	5,335
2005/2006	98,214	95,001	96.73%	4,774

¹ Includes all tax rates levied county-wide for: General Fund, Senior Services, Community Mental Health, Board of Mental Retardation, Children Services, Toledo-Lucas County Port Authority, Toledo Zoo, Toledo Lucas County Library and 9-1-1 Emergency Telephone System. Refer to: "Table 8 - Property Tax Rates of All Overlapping Governments" in this section.

Source: Lucas County Auditor

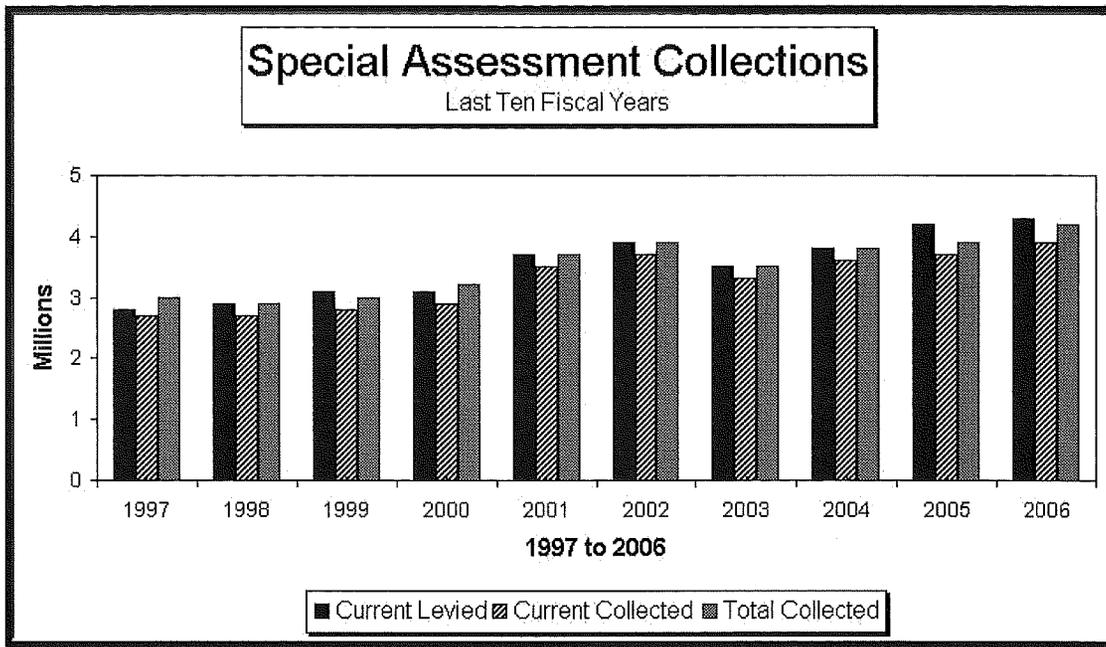
<u>Delinquent Taxes Collected as a Percent of Total Taxes Collected</u>	<u>Total Taxes Collected</u>	<u>Total Collections as a Percent of Taxes Levied- Current</u>	<u>Accumulated Delinquencies</u>	<u>Tax/Levy Collection Year</u>
3.22%	70,394	101.70%	5,977	1996/1997
3.42%	74,572	101.85%	5,796	1997/1998
3.20%	77,114	101.87%	5,760	1998/1999
3.05%	79,935	101.64%	5,012	1999/2000
2.28%	81,784	101.00%	5,872	2000/2001
3.57%	92,214	102.20%	6,321	2001/2002
5.15%	93,867	101.78%	5,893	2002/2003
3.56%	102,653	101.72%	9,394	2003/2004
5.13%	104,465	102.50%	10,407	2004/2005
4.78%	99,775	101.59%	10,465	2005/2006

**TABLE 10
LUCAS COUNTY, OHIO
SPECIAL ASSESSMENT LEVIES AND COLLECTIONS¹
LAST TEN FISCAL YEARS
(Amounts in 000's)**

<u>Tax/Levy Collection Year</u>	<u>Current Assessment Levies</u>	<u>Current Assessments Collected</u>	<u>Current Assessments Collected as a Percent of Assessment Levies</u>	<u>Delinquent Assessments Collected</u>
1996/1997	2,864	2,729	95.29%	282
1997/1998	2,914	2,785	95.57%	172
1998/1999	3,125	2,891	92.51%	153
1999/2000	3,168	2,974	93.88%	232
2000/2001	3,762	3,550	94.36%	182
2001/2002	3,944	3,711	94.09%	249
2002/2003	3,546	3,320	93.63%	253
2003/2004	3,864	3,624	93.79%	251
2004/2005	4,269	3,738	87.56%	255
2005/2006	4,278	3,989	93.24%	243

¹ Assessment levies and collections include assessment districts outside the County entity.

Source: Lucas County Auditor



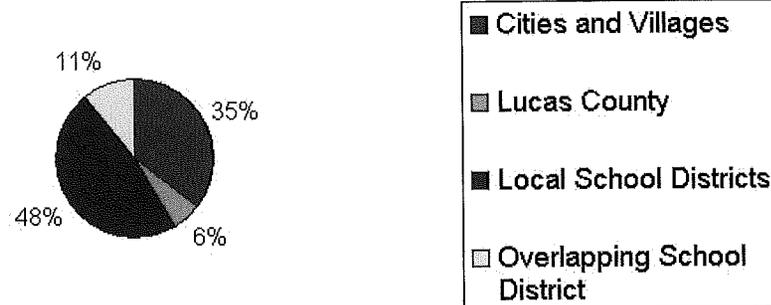
Delinquent Assessments Collected as a Percent of Assessment Levies	Total Assessments Collected	Total Collections as a Percent of Current Assessment Levies	Accumulated Delinquencies	Tax/Levy Collection Year
9.85%	3,011	105.13%	246	1996/1997
5.90%	2,957	101.48%	209	1997/1998
4.90%	3,045	97.44%	291	1998/1999
7.32%	3,206	101.20%	268	1999/2000
4.84%	3,732	99.20%	316	2000/2001
6.31%	3,960	100.41%	327	2001/2002
7.13%	3,573	100.76%	332	2002/2003
6.50%	3,876	100.31%	352	2003/2004
5.97%	3,993	93.53%	691	2004/2005
5.68%	4,232	98.92%	801	2005/2006

TABLE 11
LUCAS COUNTY, OHIO
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST SIX FISCAL YEARS
(Amounts in 000's)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities:				
General obligation bonds	\$ 31,255	\$ 34,935	\$ 42,060	\$ 50,500
Special assessment bonds with governmental commitment	17,956	16,848	14,216	13,440
Non-tax revenue bonds	17,956	17,865	18,455	19,005
OWDA loans	915	1,327	1,712	2,069
OPWC loans	2,112	2,030	2,485	2,805
Capital lease obligations	1,201	3,022	3,706	6,352
Subtotal	71,395	76,027	82,634	94,171
Business-type Activities:				
OWDA loans	29,018	30,766	32,417	18,539
OPWC loans	2,474	1,369	263	201
Subtotal	31,492	32,135	32,680	18,740
Total	\$ 102,887	\$ 108,162	\$ 115,314	\$ 112,911
Percent of assessed value	1.19%	1.24%	1.34%	1.45%
Amount per capita	\$ 231.06	\$ 238.35	\$ 255.29	\$ 249.47

<u>2002</u>	<u>2001</u>
\$ 53,200	\$ 61,770
13,159	13,016
19,520	20,000
2,401	2,709
2,793	2,242
<u>7,673</u>	<u>9,250</u>
98,746	108,987
19,354	20,766
<u>246</u>	<u>291</u>
<u>19,600</u>	<u>21,057</u>
<u>\$ 118,346</u>	<u>\$ 130,044</u>
\$ 1.53%	\$ 1.67%
\$ 260.96	\$ 286.13

**Chart of Direct and Overlapping Debt
as of December 31, 2006**



**TABLE 12
LUCAS COUNTY, OHIO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF DECEMBER 31, 2006
(Amounts in 000's)**

	<u>Debt Outstanding</u>	<u>Percent ⁴ Applicable to County</u>	<u>Amount Applicable to County</u>
Direct debt:			
Lucas County ¹	\$30,890	100.0%	\$30,890
Overlapping debt:			
Municipalities:²			
All cities and villages within			
Lucas County	173,174	100.0%	173,174
Swanton Village	1,406	5.2%	73
School districts:³			
All school districts			
within Lucas County	231,239	100.0%	231,239
Evergreen local	12,199	29.8%	3,635
Anthony Wayne local	25,611	97.8%	25,047
Swanton local	15,180	38.4%	5,892
Overlapping debt	458,809	95.7%	439,060
Total direct and overlapping debt	<u>\$489,699</u>	<u>96.0%</u>	<u>\$469,950</u>

¹ Excluding special assessment debt with governmental commitment, revenue bonds, general obligation bonds reported in Enterprise funds and Regional Jail bonds.

² The cities which are wholly located within the legal boundaries of Lucas County are: Maumee, Oregon, Sylvania and Toledo. The villages which are wholly located within the legal boundaries of Lucas County are: Berkey, Harbor View, Holland, Ottawa Hills, Waterville and Whitehouse.

³ The school districts which are wholly located within the legal boundaries of Lucas County are: Maumee (CSD), Ottawa Hills (LSD), Oregon (CSD), Springfield (LSD), Sylvania (CSD), Toledo (CSD) and Washington (LSD).

⁴ Percent based on assessed value within the County.

The Valentine Theater



This wonderfully ornate venue located in Downtown Toledo is operated by the Toledo Cultural Arts Center, Inc. After sitting empty for over twenty years, this historic 108-year-old 901-seat facility was brought back to life with a \$28 million infusion of cash.

The Valentine's rebirth was unveiled on October 9, 1999. Since its reopening five and a half years ago, 32 community groups and over 400,000 patrons have attended 400 international, national, and area presentations.

TABLE 13
LUCAS COUNTY, OHIO
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Amounts in 000's)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Debt limit	\$ 240,207	\$ 219,550	\$ 216,798	\$ 213,534
Total net debt applicable to limit	25,606	26,624	33,379	41,893
Legal debt margin	<u>\$ 214,601</u>	<u>\$ 192,926</u>	<u>\$ 183,419</u>	<u>\$ 171,641</u>
 Total net debt applicable to the limit as a percentage of debt limit	 10.66%	 12.13%	 15.40%	 19.62%

	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$	194,537	\$ 192,836	\$ 163,173	\$ 159,838	\$ 157,522	\$ 145,567
	49,570	39,527	51,571	52,442	59,223	65,784
\$	<u>144,967</u>	<u>\$ 153,309</u>	<u>\$ 111,602</u>	<u>\$ 107,396</u>	<u>\$ 98,299</u>	<u>\$ 79,783</u>
	25.48%	20.50%	31.61%	32.81%	37.60%	45.19%

Legal Debt Margin Calculation for Year 2006

Direct legal debt limitation¹:

3.0% of the first \$100,000 assessed valuation	3,000
1.5% on excess of \$100,000-not in excess of \$300,000	3,000
2.5% on the amount in excess of \$300,000	<u>234,207</u>

Total direct legal debt limitation	240,207
Total of all county debt outstanding ³	54,126

Less:

Special assessment bonds and notes (self-supporting) ³	16,946
Correctional facilities bonds (4)	11,574
Total exempt debt	<u>(28,520)</u>

Total net indebtedness (voted and unvoted) subject to direct debt limitation	<u>25,606</u>
--	---------------

Direct legal debt margin	<u>214,601</u>
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Unvoted debt limitation (subject to 1% of County assessed valuation)	96,683
--	--------

Total net indebtedness (unvoted - subject to the 1% legal debt limitation)	<u>(25,606)</u>
--	-----------------

Total unvoted legal debt margin	<u>71,077</u>
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¹ Direct legal debt limitation is outlined by the Ohio Revised Code, codifications 133.04 and 133.07, not including available equity in debt service fund.

³ Excludes Ohio Water Development Authority (OWDA) and Ohio Public Works Commission (OPWC) loans, SS 772 revenue bonds, and non-tax revenue bonds. Refer to "Note G - Notes Payable" and to "Note H - Long-term Debt and Other Obligations" in the Notes to the Financial Statements.

⁴ Excluded by state statute.

Source: Lucas County Auditor

TABLE 14
LUCAS COUNTY, OHIO
RATIO OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(Dollar Amounts in 000's)

Fiscal Year	Total(ii)(iii) Population	Personal (iii) Income	Per Capita (iii) Income	Assessed¹ Values	Gross General(i) Bonded Debt	Less Debt (i) Service Fund Balance
1997	452,400	\$13,890,020	\$30,702	\$5,882,684	\$75,500	\$7,372
1998	448,300	13,503,325	30,121	6,364,073	67,900	6,652
1999	447,300	13,556,678	30,308	6,453,593	60,060	5,986
2000	455,054	13,142,344	28,880	6,586,846	52,590	6,139
2001	454,500	12,754,660	28,063	7,776,743	61,770	10,542
2002	453,506	12,669,269	27,936	7,717,907	53,200	12,907
2003	452,600	12,224,732	27,010	7,778,200	50,500	16,542
2004	451,700	11,765,455	26,047	8,579,701	42,060	9,689
2005	453,800	11,306,048	24,914	8,728,611	34,935	7,682
2006	445,281	N/A	N/A	8,679,312	31,255	5,140

¹ Refer to: "Table 6 - Assessed and Estimated Actual Value of Taxable Property" in this section.

Source (i): Lucas County Auditor

Source (ii): Toledo Regional Growth Partnership

Source (iii): Bureau of Economic Analysis

TABLE 15
LUCAS COUNTY, OHIO
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL
BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
(Amounts in 000's)

Fiscal¹ Year	General Obligation Principal	General Obligation Interest	Total² General Obligation Debt Service	Total¹ General Governmental Expenditures	Ratio of Total Debt Service to General Governmental Expenditures
1997	\$6,425	\$3,971	\$10,396	\$341,414	3.04%
1998	7,600	4,203	11,803	327,624	3.60%
1999	7,840	3,815	11,655	345,637	3.37%
2000	7,470	3,436	10,906	402,711	2.71%
2001	7,820	3,538	11,358	451,791	2.51%
2002	8,345	4,907	13,252	439,042	3.02%
2003	8,960	4,384	13,344	440,854	3.03%
2004	8,990	3,932	12,922	433,182	2.98%
2005	7,715	3,779	11,494	445,929	2.58%
2006	3,680	1,761	5,441	475,277	1.14%

¹ Refer to: "Table 1 - General Governmental Expenditures by Function" in this section.

² General obligation bonds reported in the Enterprise funds and special assessment debt with governmental commitment have been excluded.

Source: Lucas County Auditor

<u>Net General Bonded Debt</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Per Capita Net General Bonded Debt</u>	<u>Fiscal Year</u>
\$68,128	1.158%	\$150.59	1997
61,248	0.962%	136.62	1998
54,070	0.838%	120.88	1999
46,451	0.705%	102.08	2000
51,228	0.659%	112.71	2001
40,293	0.522%	88.85	2002
33,958	0.437%	75.03	2003
32,371	0.377%	71.67	2004
27,253	0.312%	107.40	2005
26,115	0.301%	115.43	2006

TABLE 16
LUCAS COUNTY, OHIO
DEMOGRAPHIC STATISTICS
AS OF DECEMBER 31, 2005

POPULATION DENSITY

<u>Census Year</u>	<u>Square Miles</u>	<u>Population in Lucas County</u>	<u>Population Density</u>
1970	343.3	483,551	1,408.5
1980	343.3	471,741	1,383.4
1990	341.0	462,361	1,355.9
2000	341.0	455,054	1,334.5

Source: Bureau of Census-United States Department of Commerce

EMPLOYMENT TRENDS

Ten Year Average Employment

<u>Year</u>	<u>County Employed</u>	<u>County Unemployed</u>	<u>Unemployment Rate</u>		
			<u>County</u>	<u>Ohio</u>	<u>U.S.</u>
1996	215,700	11,500	5.1%	4.9%	5.4%
1997	218,300	11,900	5.2%	4.6%	4.9%
1998	218,000	12,700	5.5%	4.2%	4.5%
1999	222,000	12,100	5.2%	4.2%	4.2%
2000	219,000	11,200	4.9%	4.1%	4.0%
2001	220,500	11,500	5.0%	4.3%	4.8%
2002	215,400	15,900	6.9%	5.7%	5.8%
2003	214,700	18,200	7.8%	6.1%	6.0%
2004	209,100	16,600	7.4%	6.1%	5.5%
2005	208,900	15,500	6.9%	5.9%	5.1%

2005 Monthly Employment

<u>Month</u>	<u>County Employed</u>	<u>County Unemployed</u>	<u>Unemployment Rate</u>		
			<u>County</u>	<u>Ohio</u>	<u>U.S.</u>
January	202,300	17,300	7.9%	6.8%	5.7%
February	203,500	17,700	8.0%	7.1%	5.8%
March	205,000	16,000	7.2%	6.4%	5.4%
April	207,600	15,000	6.7%	5.9%	4.9%
May	209,900	14,600	6.5%	5.6%	4.9%
June	208,900	15,700	7.0%	6.1%	5.2%
July	211,200	16,700	7.3%	5.8%	5.2%
August	212,400	14,700	6.5%	5.5%	4.9%
September	211,900	14,800	6.5%	5.6%	4.8%
October	212,600	14,100	6.2%	5.3%	4.6%
November	210,700	14,700	6.5%	5.6%	4.8%
December	210,600	14,400	6.4%	5.5%	4.6%

Source: Ohio Bureau of Employment Services

Top 2006 Private & Public Employers

<u>Employer</u>	<u>Number of Employees</u>	<u>Primary Type of Product/Service</u>
ProMedica Health Systems	11,265	Health Care
Mercy Health Partners	6,723	Health Care
University of Toledo	4,987	Education (advanced)
Toledo Public Schools	4,554	Education (primary-secondary)
Lucas County	4,168	Government Services (various)
Daimler-Chrysler/Toledo Jeep	3,548	Automatic Manufacturing
Kroger	3,503	Retail Grocery
U.T. Health Science Campus	3,300	Health Care
City of Toledo	2,979	Government Services (various)
State of Ohio	2,487	Government Services (various)
General Motors/Power Train	2,112	Automatic Manufacturing
United Parcel Service	2,108	Mail Service
Andersons	1,766	Grain Storage/Process/Retail
HCR Manor Care	1,745	Health Care
Meijers	1,721	Retail Grocery
<i>Top ten total employed</i>	<u>56,966</u>	
<i>Percent of total work force¹</i>	27.27%	

Top 1997 Private & Public Employers

<u>Employer</u>	<u>Number of Employees</u>	<u>Primary Type of Product/Service</u>
Mercy Health Partners	6,680	Health Care
Daimler-Chrysler/Toledo Jeep	5,400	Automatic Manufacturing
Toledo Public Schools	5,319	Education (primary-secondary)
University of Toledo	5,245	Education (advanced)
General Motors/Power Train	4,600	Automatic Manufacturing
Seaway Foodtown	4,548	Retail Grocery
Toledo Hospital	4,506	Health Care
Lucas County	4,300	Government Services (various)
Medical University of Ohio	3,442	Health Care
City of Toledo	3,017	Government Services (various)
Andersons	2,962	Grain Storage/Process/Retail
Kroger	2,667	Retail Grocery
Meijers	2,000	Retail Grocery
State of Ohio	1,990	Government Services (various)
United Parcel Service	1,946	Mail Service
<i>Total employed</i>	<u>58,622</u>	
<i>Percent of total work force¹</i>	26.85%	

¹Refer to: "Employment Trends-Ten Year Employment" within Table 15 of this Section.

Source: Toledo Regional Growth Partnership

**TABLE 18
LUCAS COUNTY, OH
COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/ACTIVITY
LAST FOUR FISCAL YEARS**

Function/Program	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<u>General Government:</u>				
Auditor	117	119	124	117
Board of Elections	44	32	27	104
Clerk of Courts	81	83	85	122
Commissioners	74	82	93	84
Recorder	19	22	20	21
Treasurer	36	33	35	32
<u>Judicial:</u>				
Common Pleas Court	287	280	288	284
Domestic Relations Court	49	49	50	88
Juvenile Court	271	269	296	295
Probate Court	39	39	39	37
Prosecutors Office	104	112	117	110
<u>Public Safety:</u>				
Coroner	17	21	20	19
Emergency Management Agency	7	7	8	8
Sheriff	545	514	538	542
<u>Human Services:</u>				
Child Support Enforcement Agency	171	169	166	168
Children Services	378	389	426	424
Job and Family Services	479	414	423	494
Veterans Service Commission	13	13	14	15
<u>Health:</u>				
BMR/DD	839	852	833	794
Mental Health & Recovery	29	28	25	19
<u>Public Works</u>				
Engineer	42	43	38	41
Water and sewer operations	18	18	17	19

TABLE 19
LUCAS COUNTY, OH
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS

Operating Indicators and Capital Asset Statistics

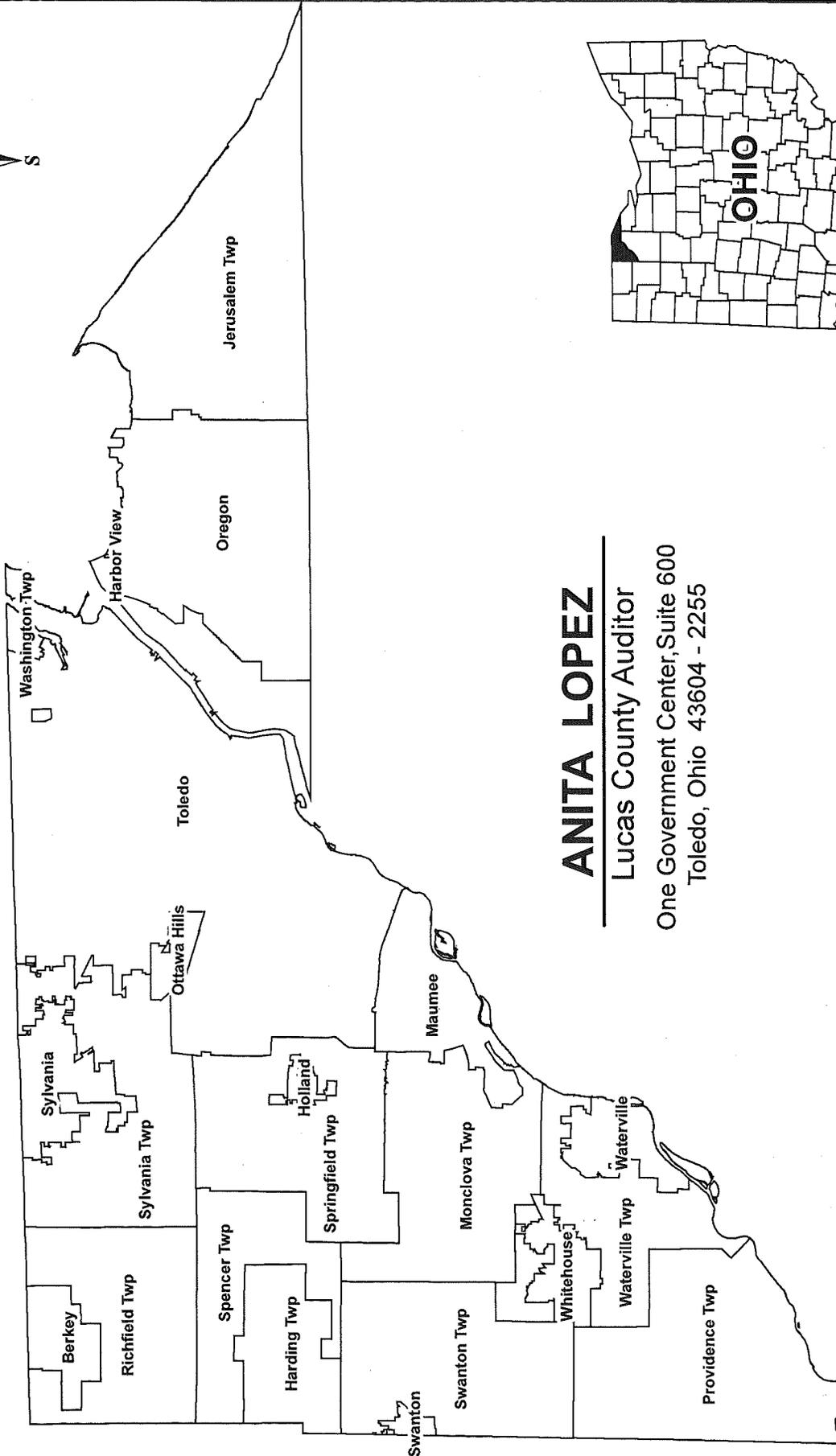
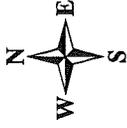
Function/Program	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
General government:					
Auditor:					
Real Estate					
Number of Real Estate Transfers	11,211	11,711	12,045	12,221	10,428
Number of Parcels on File	202,792	203,984	205,305	206,635	194,785
Fiscal Services					
Number of payment requests processed	77,366	81,525	90,129	83,708	83,482
Commissioners:					
Number of resolutions presented	1,871	1,857	1,914	1,922	1,833
Purchasing:					
Number of bid contracts awarded	50	47	49	37	33
Number of purchase orders issued	2,963	2,107	1,956	1,951	1,926
Recorder:					
Number of deeds recorded		16,600	21,925	22,640	19,928
Number of mortgages recorded		37,879	35,506	32,534	27,306
Treasurer:					
Net portfolio earnings	\$ 9,759,123	\$ 6,362,771	\$ 4,951,510	\$ 6,528,270	\$ 10,331,847
Board of Elections:					
Number of registered voters	278,619	289,877	300,137	292,613	296,539
Number of voters last general election	135,802	103,251	221,902	124,907	146,652
Percentage of registered voters that voted	48.7%	35.6%	73.9%	42.7%	49.5%
Risk Management:					
Number of workers compensation claims on file	281	321	290	268	245
Clerk of Courts:					
Number of titles processed	235,321	229,508	224,370	216,437	206,202
Judicial:					
Court of Appeals:					
Number of cases filed	738	709	717	801	777
Common Pleas Court:					
Number of civil cases filed	6,050	6,083	6,279	6,885	7,626
Number of criminal cases filed	2,574	2,794	2,723	2,767	2,836
Domestic Relations Court					
Number of cases filed	2,159	2,047	1,968	1,968	1,930
Juvenile Court:					
Number of cases filed	14,122	13,527	12,641	13,492	12,166
Probate Court:					
Number of cases filed	10,912	10,808	10,495	9,996	8,567

TABLE 19
LUCAS COUNTY, OH
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST FIVE FISCAL YEARS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Public safety:					
Sheriff:					
Jail Operation & Enforcement					
Average daily jail census	438	478	490	485	498
Number of prisoners booked	25,026	25,650	27,946	26,110	26,028
Number of incidents reported	29,322	32,031	33,490	34,755	48,476
Number of civil papers served	9,937	10,149	26,742	34,691	38,805
Emergency Management Agency:					
Number of 911 calls received	440,312	413,870	391,537	378,532	376,599
Number of emergency responses	53,733	52,811	52,665	54,837	55,853
Animal Care & Control:					
Number of service requests	7,480	7,606	7,028	6,880	6,369
Number of dogs adopted	3,070	3,283	2,889	2,602	2,752
Number of dog licenses sold	62,591	61,733	63,145	63,154	63,258
Human services:					
Veterans Service Commission:					
Number of financial claims filed		6,593	11,272	13,278	14,372
Job and Family Services:					
Number of clients - food stamps		50,613	56,190	59,680	60,880
Number of clients - Medicaid		75,540	74,553	85,948	87,486
Children Services:					
Number of children placed in adoptive homes	172	143	193	227	194
Number of child welfare investigations	4,691	4,634	4,694	4,858	4,964
Number of children in foster home care	437	473	515	604	581
Number of children served in paid placement	469	507	544	629	612
Child Support Enforcement Agency:					
Number of active support orders	44,367	45,121	46,280	47,647	49,024
Percentage collected-level of service	59.87%	61.63%	62.77%	63.19%	63.33%
Health:					
Board of Mental Retardation & Developmental Disabilities					
Number of individuals in adult workshops	1,404	1,413	1,390	1,374	1,502
Public Works					
Engineer					
Miles of road resurfaced	17	22	21	15	14
Culverts Built		4	2	2	1
Number of county bridges repaired or replaced	3	1	1	2	4
Water and sewer operations:					
Number of permits/taps	2,220	2,574	2,758	2,301	1,409
Number of emergency/maintenance responses	492	460	424	607	785
Million of gallons per day/average daily flow	11.5	14.0	12.6	13.7	13.5



LUCAS COUNTY, OHIO

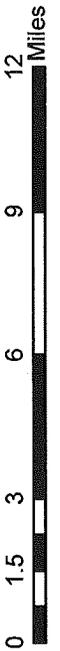


ANITA LOPEZ

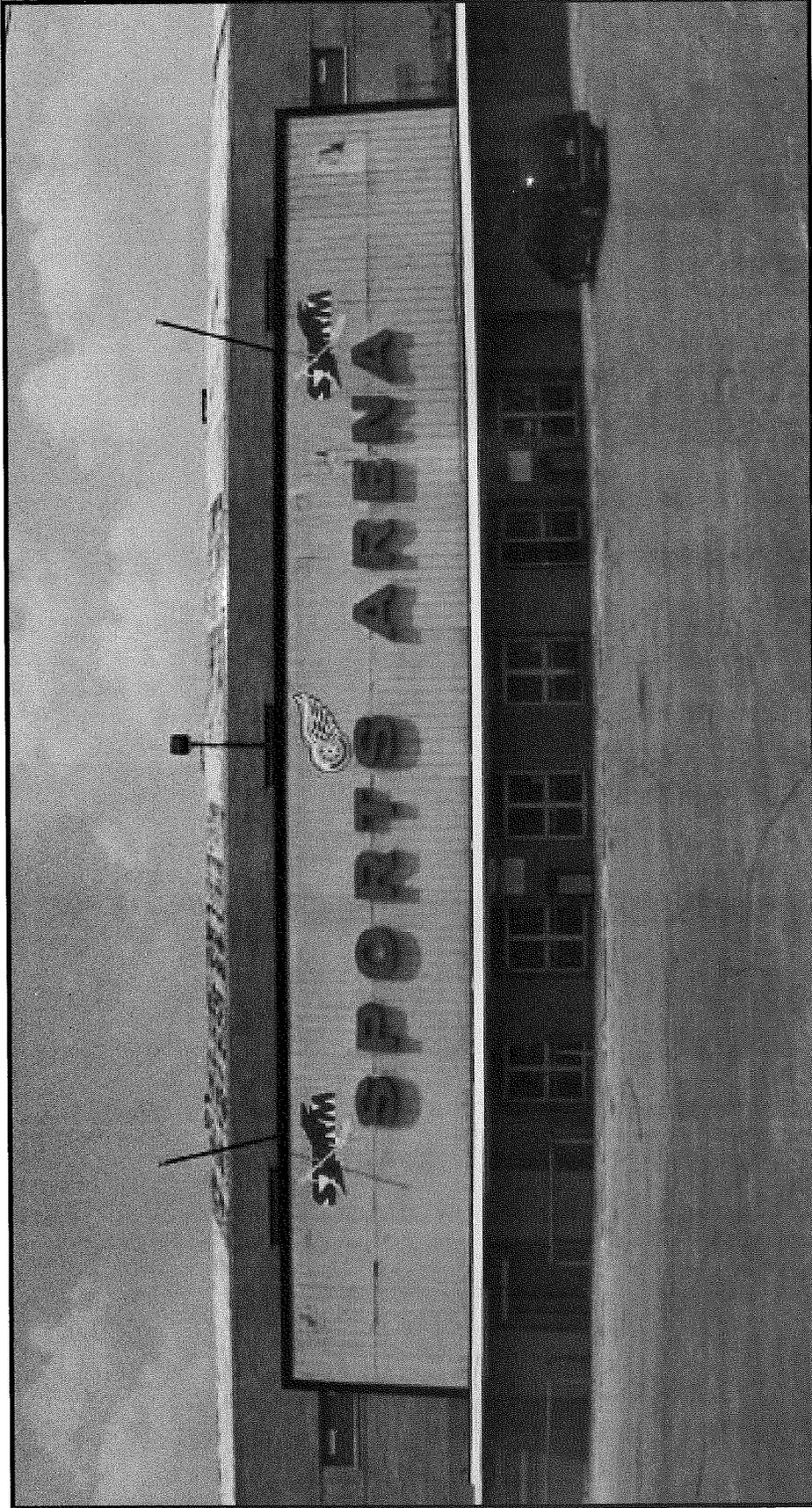
Lucas County Auditor

One Government Center, Suite 600

Toledo, Ohio 43604 - 2255



Farewell to Thee!



Lucas County bids our Sports Arena a proud farewell. Serving millions of patrons of northwest Ohio for parts of seven decades, the Sports Arena, located on the east side of the Maumee River, will be demolished in the summer of 2007 in favor of a new \$85 million dollar multi-purpose arena near Fifth Third Field, home to the Toledo Mud Hens.

The Sports Arena property will be cleared and developed as part of the "Marina District", a construction project on the east bank of the Maumee River that will have residential dwellings in addition to restaurants, shopping, and boating.

Thank you, and farewell, Sports Arena.



Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

LUCAS 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
SEPTEMBER 25, 2007**