



Mary Taylor, CPA  
Auditor of State



CLERMONT COUNTY

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**CLERMONT COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>			
<i>Passed Through Ohio Department of Mental Health:</i>			
508Q CQRT	N/A	93.958	\$ 119,208
MHBG Child/Adol	N/A	93.958	25,291
MHBG Comm Plan	N/A	93.958	40,773
ACT Center and Network	N/A	93.958	294,578
FAST\$	N/A	93.958	<u>12,058</u>
Total Block Grants for Community Mental Health Services			491,908
<i>Passed Through Ohio Department of Mental Health:</i>			
Medicaid Assistance Program (Title XIX)	N/A	93.778	2,802,402
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Title XIX - Day Rehabilitation	N/A	93.778	662,441
Title XIX - Targeted Case Management	N/A	93.778	79,457
Title XIX - Waiver Administration	N/A	93.778	61,737
Title XIX - Community Funding Alternative System (CAFS)	N/A	93.778	4,236
Title XIX - Administrative Fees	N/A	93.778	<u>117,574</u>
Total Medical Assistance Program (Title XIX)			3,727,847
<i>Passed Through Ohio Department of Mental Health:</i>			
HRSA-All Hazards	N/A	93.003	4,163
<i>Passed Through Ohio Department of Mental Health:</i>			
ACT Peer Support	N/A	93.779	24,949
<i>Passed Through Ohio Department of Mental Health:</i>			
Social Services Block Grant (Title XX)	N/A	93.667	102,414
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Social Services Block Grant	N/A	93.667	<u>110,346</u>
Total Social Services Block Grant (Title XX)			212,760
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Women's Outreach Services	N/A	93.959	126,772
TASC	N/A	93.959	200,780
Per Capita Treatment/Prevention	N/A	93.959	<u>562,782</u>
Total Block Grants for Prevention and Treatment of Substance Abuse			890,334
<i>Passed through Ohio Department of Job and Family Services</i>			
Child Abuse and Neglect State Grants	N/A	93.669	2,000
Independent Living/Chaffee	N/A	93.674	63,512
Consolidated Knowledge Development & Application (KD&A) Program	N/A	93.230	415,579
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<b>5,833,052</b>

CLERMONT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2006

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>			
<i>Passed through Ohio Department of Health</i>			
Special Education Grants for Infants and Families with Disabilities - Hearing Impaired	N/A	84.181	208,970
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Safe & Drug Free Schools & Communities: State Grants	N/A	84.186A	60,158
Celebrating Families	N/A	84.186A	67,831
			<u>127,989</u>
<i>Passed through Ohio Department of Education</i>			
Title V - Innovative Planning	N/A	84.298	282
Special Education: Grants to States	N/A	84.027	54,523
			<u>54,523</u>
<b>TOTAL U.S. DEPARTMENT OF EDUCATION</b>			<b>391,764</b>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>			
<i>Passed through the Ohio Department of Education</i>			
Nutrition Cluster			
National School Lunch Program	N/A	10.555	38,730
National School Breakfast Program	N/A	10.553	17,155
Total Nutrition Cluster			<u>55,885</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>55,885</b>
<b><u>U.S. DEPARTMENT OF TRANSPORTATION</u></b>			
<i>Passed through Ohio Department of Public Safety</i>			
State and Community Highway Safety Grant	N/A	20.600	171,484
<i>Passed through Ohio Department of Transportation</i>			
Branch Hill Guinea Improvement @ Wards Corner & Cook	PID 10155	20.205	945,404
Federal Transit Formula Grant	N/A	20.507	918,061
			<u>918,061</u>
<b>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</b>			<b>2,034,949</b>
<b><u>APPALACHIAN REGIONAL COMMISSION</u></b>			
<i>Passed through Ohio Department of Transportation</i>			
Clough Pike/McMann Road Intersection	PID 17725	23.009	236,549
<b><u>U.S. DEPARTMENT OF JUSTICE</u></b>			
<i>Passed through the Ohio Office of Criminal Justice Services</i>			
Juvenile Accountability Incentive Block Grant - Drug Court	N/A	16.523	12,555
Byrne Memorial Justice Assistance Grant Program	N/A	16.738	146,223
<i>Passed through the Ohio Attorney General</i>			
Crime Victim Assistance	N/A	16.575	119,652
			<u>119,652</u>
<b>TOTAL U.S. DEPARTMENT OF JUSTICE</b>			<b>278,430</b>

CLERMONT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2006

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<b><u>U.S. DEPARTMENT OF LABOR</u></b>			
<i>Passed through the Ohio Department of Job and Family Services</i>			
Workforce Investment Act Cluster			
Adult Program	N/A	17.258	223,598
Administrative			29,841
Total			<u>253,439</u>
Youth Activities Program	N/A	17.259	287,625
Administrative			30,476
Total			<u>318,101</u>
Dislocated Worker Program	N/A	17.260	213,631
Administrative			29,134
Rapid Response			188,423
Total			<u>431,188</u>
Total Workforce Investment Act Cluster			<u>1,002,728</u>
<b>TOTAL U.S. DEPARTMENT OF LABOR</b>			<b>1,002,728</b>
<b><u>U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>			
<i>Passed through Ohio Department of Development</i>			
Community Development Block Grant	N/A	14.228	835,174
HOME Investment Partnership Program	N/A	14.239	247,276
<b>TOTAL U.S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</b>			<b>1,082,450</b>
<b><u>U.S. DEPARTMENT OF HOMELAND SECURITY</u></b>			
<i>Passed through the Ohio Emergency Management Agency</i>			
State Domestic Preparedness Equipment Support Program	N/A	97.004	422,864
Hazardous Materials Assistance Program	N/A	97.053	9,832
Emergency Management Performance Grants	N/A	97.042	52,992
Hazard Mitigation Grant	N/A	97.039	24,528
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<b>510,216</b>
<b>TOTAL</b>			<b><u>\$ 11,426,023</u></b>

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

**CLERMONT COUNTY**

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE  
FISCAL YEAR ENDED DECEMBER 31, 2006**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - SUBRECIPIENTS**

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

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

**NOTE C - CHILD NUTRITION CLUSTER**

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

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

**NOTE D - MATCHING REQUIREMENTS**

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





# Mary Taylor, CPA

## Auditor of State

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

Clermont County  
101 East Main Street  
Batavia, OH 45103

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont County, Ohio (the County), as of and for the year ended December 31, 2006, which collectively comprise the Government's basic financial statements, and have issued our report thereon dated June 1, 2007. We did not audit the Business-Type Activities and the County Sewer and Water District major enterprise funds, and our opinion, insofar as it relates to the amounts included as Business-Type Activities and the County Sewer and Water District major enterprise funds, is based on the report of other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

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

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined 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 a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in 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 County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the County's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: item 2006-001.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the County's internal control will not prevent or detect a material financial statement misstatement.

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 material weaknesses. We do not believe the significant deficiency described above is a material weakness.

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

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 2006-001.

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

We intend this report solely for the information and use of the fiscal review committee, management, Board of County Commissioners, federal awarding agencies, and pass-through entities. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

June 1, 2007



# Mary Taylor, CPA

Auditor of State

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

Clermont County  
101 East Main Street  
Batavia, Ohio 45103

To the Board of County Commissioners:

### Compliance

We have audited the compliance of Clermont County, Ohio (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

The County's basic financial statements include the operations of the County Sewer and Water Districts, which expended no federal awards for the year ended December 31, 2006. Our audit of Federal awards, described below, did not include the operations of the County Sewer and Water Districts because the Sewer and Water Districts engaged another auditor to audit its operations and they expended less than \$500,000 of Federal awards for the year ended December 31, 2006, and were not subject to OMB Circular A-133 audit requirements.

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

In our opinion, Clermont County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2006.

### Internal Control Over Compliance

The County's management 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 directly and materially affect 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement 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 the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

Our consideration of internal control 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.

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

We have also audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Clermont County, Ohio as of and for the year ended December 31, 2006, and have issued our report thereon dated June 1, 2007. We did not audit the Business-Type Activities and the County Sewer and Water District major enterprise funds, and our opinion, insofar as it relates to the amounts included as Business-Type Activities and the County Sewer and Water District major enterprise funds, is based on the report of other auditors. Our audit was performed to form an opinion on the financial statements that collectively comprise the Government's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



**Mary Taylor, CPA**  
Auditor of State

June 1, 2007

**CLERMONT COUNTY**  
**SCHEDULE OF FINDINGS**  
**OMB CIRCULAR A -133 § .505**  
**DECEMBER 31, 2006**

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

<i>(d)(1)(i)</i>	<b>Type of Financial Statement Opinion</b>	Unqualified
<i>(d)(1)(ii)</i>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<i>(d)(1)(ii)</i>	<b>Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(iii)</i>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<i>(d)(1)(iv)</i>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<i>(d)(1)(iv)</i>	<b>Were there any other significant deficiencies in internal control reported for major federal programs?</b>	No
<i>(d)(1)(v)</i>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<i>(d)(1)(vi)</i>	<b>Are there any reportable findings under § .510?</b>	No
<i>(d)(1)(vii)</i>	<b>Major Programs (list):</b>	Highway Planning & Construction CFDA #20.205 Medical Assistance Program CFDA #93.778 Block Grants for Community Health Services CFDA #93.958 Consolidated Knowledge Development & Application (KD&A) Program CFDA #93.230
<i>(d)(1)(viii)</i>	<b>Dollar Threshold: Type AIB Programs</b>	Type A: > \$ 342,781 Type B: all others
<i>(d)(1)(ix)</i>	<b>Low Risk Auditee?</b>	Yes

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

**FINDING NUMBER 2006-001**

**Noncompliance Citation / Significant Deficiency**

**Ohio Rev. Code, Section 2921.42(A)(1)**, states that no public official shall knowingly authorize or employ the authority or influence of his office to secure authorization of any public contract in which he, a member of his family, or any of his business associates has an interest.

**Ohio Rev. Code, Section 2921.42(A)(4)**, states that no public official shall knowingly have an interest in the profits or benefits of a public contract entered into by or for the use of the political subdivision or governmental agency or instrumentality with which he is connected.

**Ohio Rev. Code, Section 2921.42(G)(1)(a)**, defines “public contract”, in part, as the purchase or acquisition, or a contract for the purchase or acquisition, of property or services by or for the use of the state or any of its political subdivisions.

**Ohio Rev. Code, Sections 102.03(D)**, provides:

- (D) No public official or employee shall use or authorize the use of the authority or influence of office or employment to secure anything of value or the promise or offer of anything of value that is of such a character as to manifest a substantial and improper influence upon the public official or employee with respect to that person’s duties.

The following issues were noted during 2006:

- Commissioner R. Scott Crowell is an owner of Crowell Bus Lines, Inc. Crowell Bus Lines, Inc received 8 payments totaling \$2,027, of which for payments were from the General Fund totaling \$977, from Clermont County during 2006 related to work for the County. County Commissioners approve all payments made by the County Auditor in voucher batches. Commissioner R. Scott Crowell did not abstain from approving any payments to Crowell Bus Lines during 2006.
- Commissioner Mary Walker’s son Mark D. Walker serves as a director of 3CI. Commissioner Mary Walker voted to approve the \$145,000 in funding in 2006 for 3CI. 3CI directors are appointed by Economic Development Corporation of Clermont County (ED3C), of which Carl Douglas Walker is the Chairman of the Board. Carl Douglas Walker is the father of 3CI Director Mark D. Walker and husband of Commissioner Mary Walker. Commissioner Mary Walker did not abstain from approving any payments to 3CI during 2006.
- Commissioner Mary Walker’s husband, Carl Douglas Walker, is the Chairman of the Board of ED3C. The agreement between the County and ED3C provides annual funding of \$294,000 for 2006 and 2007. Commissioner Mary Walker did not abstain from approving any payments to ED3C during 2006.
- Carl Douglas Walker is the President, CEO, and Sole Shareholder of SWA Design Group, Inc. an engineering and surveying company. SWA Design Group, Inc. received \$36,611 in direct payments from Clermont County during 2006 that included work related to the Sewer Department totaling \$32,611. Commissioner Mary Walker did not abstain from approving any payments to SWA Design Group, Inc during 2006.

**FINDING NUMBER 2006-001  
(Continued)**

- SWA Design Group, Inc. also worked as a subcontractor on Clermont County road projects during 2006. SWA Design Group, Inc. was solely responsible for the site stake layout portion of the Branch Hill Guinea Pike and Wards Corner Road Intersection Improvements Project Number MI-33-95. The contract budgeted \$47,000 to be paid to the subcontractor through the general contractor John R. Jurgenson. Commissioner Mary Walker did not abstain from approving payments to John R. Jurgenson.
- Commissioner Mary Walker voted to approve a contract between the County and Professional Engineering Group, LLC on July 12, 2006 in the amount of \$58,500 for the Mt. Carmel/Old S.R. 74 Water Main Replacement project number 621-0023. Mark D. Walker is the President of Professional Engineering Group, LLC, an engineering and surveying company. Professional Engineering Group, LLC received \$141,985 in payments from Clermont County during 2006 related to work for the Water and Sewer Department, Storm Water, and Engineers office. Commissioner Mary Walker approved \$135,857 in payments to Professional Engineering Group, LLC during 2006, and was absent for the remaining approvals.

We recommend the County, with the help of its legal counsel, develop a conflict of interest policy, and require its employees and elected officials to sign an annual statement stating he or she has received a copy of the conflict of interest policy, has read and understands the policy, has agreed to comply with the policy, and disclose affiliations which may represent a potential conflict of interest. Designated County Management should review these statements to help reduce the likelihood of conflicts of interest or undisclosed related party transactions.

This matter will be referred to the Ohio Ethics Commission.

**Officials Response:**

We received an official response from the Clermont County Prosecutor's office which follows:

Pursuant to our recent conference, I am writing to provide a memorandum constituting managements' response to the Auditor's reported Finding No. 2006-00 1 regarding actions by the Board of County Commissioners. I have previously supplied my response letter of July 12, 2007 which contains a more extensive review of the factual background relating to the finding and the subject matter of that finding and that letter is incorporated herein by reference with the understanding that it will likewise be incorporated by reference into the managements' response to the finding although not necessarily published with the final draft of the Audit Report.

Finding Number 2006-01 basically relates to three areas of questionable noncompliance. The first relates to the authorization for payment made by the Board of County Commissioners pursuant to Section 3 19.16 0 .R. C. which represents a payment of bills through "recap sheets" presented by the County Auditor. The Finding lists several incidences where one or more members of the Commission may have approved payment of bills through the recap sheet process where an ethical conflict might arise had the Commission member been party to the original inception of the contract but in fact, was not. It is managements' position and the interpretation of this Office that Section 3 19. 16 O.R.C. is an administrative provision that does not alter the legal relationship between the County as a contracting party and a contractor who performs services pursuant to a lawful and fully executed contract and then requests payment for those services. The legal obligation of the County to make payment for those services is embodied in the original contracting document and the performance of services under those contracts for the County and is not altered by the administrative and ministerial provisions of Section 319.16 O.R.C. The legal obligation of the County to pay those invoices arises from the relationship between the contractual agreement and the provision of services thereunder and is a legal obligation upon the County regardless of the recap system established under Section 319.16 O.R.C. which is nothing other than an opportunity for the Auditor to review request for payments to be certain that all necessary paperwork or other documentation has been provided.

**FINDING NUMBER 2006-001  
(Continued)**

The prohibitions under 2921.42 O.R.C. relate to using authority or influence of office to secure a contract or to have an interest in the profits of a contract and relates to the inception of the contractual relationship not to payments legally due to the contractor under the contract when performance has been properly completed. In addition, with respect to Croswell Bus Lines, the exemption of 2921.42(C) would apply.

Nevertheless, since the issue has been raised by the State Auditor, and to avoid any appearance of impropriety in the future, the Board of Commissioners has requested the County Auditor to structure the bill recap sheets in a format wherein the payments are sorted by vendor rather than by the account number which has been the practice in the past. The County Auditor has agreed to comply and has been complying with that request since July 1, 2007 and it is now the practice of the Board of County Commissioners to separate out any payments which would involve ethical questions and to have the appropriate board member abstain from participating or voting in any discussion of those bills while continuing to approve the remaining bills that do not raise such issues.

The second issue raised in Finding No. 2006-001 relates to the participation of a member of the Board of Commissioners in the actual execution of a contract wherein a relative defined as a "family member" under the opinions of the Ohio Ethics Commission may have an interest in that contractual relationship. The factual and historical background relating to those particular contracts is dealt with in sufficient detail in the July 12, 2007 letter previously alluded to and will not be repeated here.

The third and final issue addressed in Finding No. 2006-001 involves the appointment of certain family members to nonprofit corporations formed to carry out the economic development responsibilities of the County Commissioners in a legal format that is more flexible than the statutory powers of the County itself. Both the Economic Development Corporation of Clermont County (ED3C) and the Clermont County Capitol Investors (3 CI) are entirely new entities formed at the request of the Board of Commissioners in order to carry out those functions and the two entities are legally related. The contractual relationship wherein the Board of Commissioners has authorized payment of funds to those private-nonprofit entities has raised issues with respect to the transfer of funds to the entities in order to allow them to carry out their mission since family members of Commissioner Walker have served in a director or officer role in those particular corporations. The ethical prohibitions relating to that situation have been discussed in detail with the Board of Commission members and this office has undertaken to outline in detail for the commission members the process by which the factual situation is analyzed in light of the requirements of Section 2921.42 and 102.03 O.R.C. in order to determine whether a potential conflict of interest exists.

This office will continue to work with the Board of Commissioners and all of the elected officials of the County in assisting them in understanding the application of these legal principals to particular factual circumstances to avoid any conflict or appearance of conflict in the future and has already undertaken to revise several legislative actions that took place in 2007 with this particular circumstance in mind.

Lastly, I wish to reiterate as pointed out in my July 12, 2007 letter, that there is no evidence whatsoever that any of the individuals related to Mrs. Walker or Mrs. Walker herself benefitted in any way financially or acquired anything of value out of these transactions with respect to the private-nonprofit corporations. The services that have been provided to the County are exactly as contracted for and the public has received the full benefit of those services in the economic development realm.

**Auditor of State Conclusion:**

Based on Ohio's Ethics Laws and the Ohio Ethics Commission (OEC) advisory opinions, sufficient facts and questions still remain to warrant referral to the OEC.



**FINDING NUMBER 2006-001  
(Continued)**

**Ohio Rev. Code, Section 319.16**, generally requires county commissioners to approve county expenditures. Additionally, OEC Advisory Op. No. 90-005 indicates that any action by a member of a governing authority to authorize the purchase of items or approve payments, such as voting to approve the payment of bills, is considered “authorization” for purposes of R.C. 2921.42(A)(1). See also OEC Advisory Op. No. 2000-02.

The advisory opinions of the OEC indicate that the requirements set forth in Ohio Rev. Code Section 2921.42(C) are strictly construed against a public official, and the official must show compliance with all four requirements of the exception. See OEC Advisory Op. No. 2000-02. Furthermore, OEC Advisory Op. No. 2000-02 states that the “course of dealing” exception does not apply to any pre-existing contracts that are renewed after the public official assumes office, unless the renewal is a term of the existing contract and the contract is renewed without any action of the board. Notwithstanding the individual criteria of R.C. 2921.42(C), this exception does not apply to the prohibition of R.C. 2921.42(A)(1).

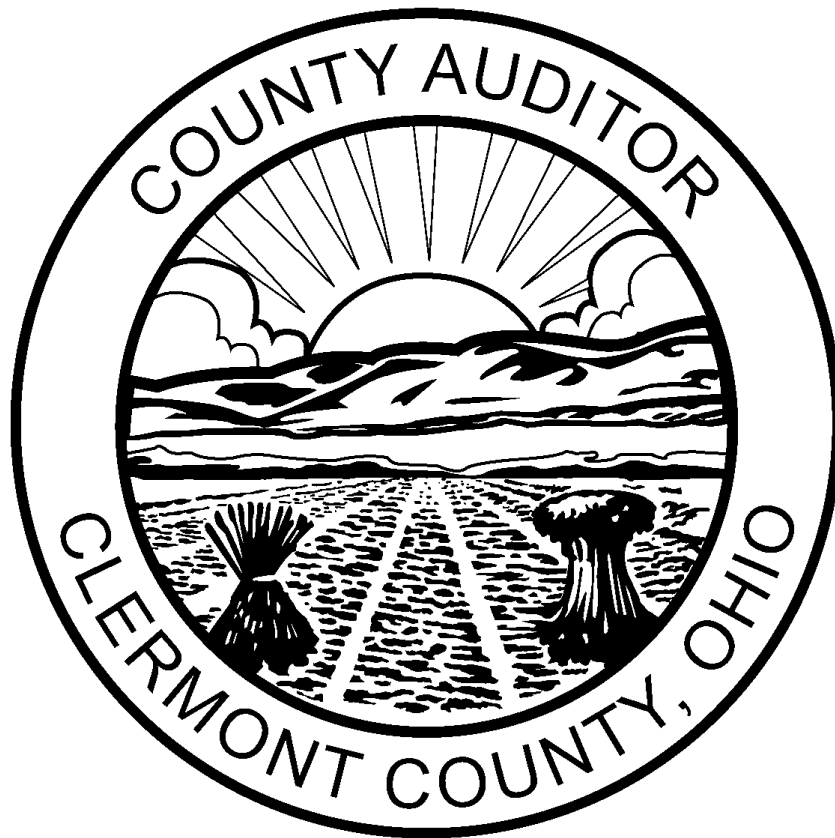
Finally, the type of interest prohibited by R.C. 2921.42 can be either pecuniary or fiduciary in nature. See OEC Advisory Op. No. 87-003. This same Opinion provides that unpaid trustees and officers of a nonprofit corporation have a fiduciary interest in the contracts of the corporation.

<b>3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS</b>
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None.



# **CLERMONT COUNTY, OHIO**



**LINDA L. FRALEY, AUDITOR**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
For the Year Ended December 31, 2006



**CLERMONT COUNTY,  
OHIO  
COMPREHENSIVE ANNUAL  
FINANCIAL  
REPORT  
FOR THE YEAR ENDED  
DECEMBER 31, 2006**

**Linda L. Fraley**  
Clermont County Auditor

**Prepared by the Clermont County Auditor's Office**

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Chief Deputy Auditor

**Christopher T. Mehlman**  
Deputy Auditor – Financial Operations

**Jennifer A. Hartley**  
Deputy Auditor – Special Projects



**CLERMONT COUNTY, OHIO  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2006**

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## **INTRODUCTORY SECTION**





**Linda L. Fraley**

Clermont County Auditor

June 1, 2007

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

I am pleased to present this Comprehensive Annual Financial Report (CAFR) for Clermont County, Ohio. This report, for the year ended December 31, 2006, contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County. The responsibility for the accuracy of all data presented, its completeness, and fairness of presentation rests with the County Auditor's Office.

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

The CAFR is organized in three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section contains a letter of transmittal, organization chart, list of elected officials and a Certificate of Achievement for Excellence in Financial Reporting for the 2005 CAFR. The Financial Section includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section provides selected financial, economic and demographic information, and operating information which may be used to indicate trends for comparative fiscal periods.

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

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

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

## REPORTING ENTITY

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

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

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

## ECONOMIC CONDITION AND OUTLOOK

### Summary of Local Economy

Clermont County continued its position of rapid growth in 2006. Woods and Poole, Inc. based in Washington, D.C., ranks Clermont County third in projected population growth in Ohio for the period 2000-2010, as compared to the other 88 counties in the State. Over the past six years, Clermont County has consistently been one of the fastest growing counties in Ohio, with a population of 192,706. Woods and Poole continues to project that Clermont will be the 5<sup>th</sup> fastest growing County in employment in the State through the year 2025 with a growth rate estimated at 1.99% annually. Growth components in which Clermont has consistently been at or near the top among Ohio counties include:

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

Woods and Poole, Inc. also projects Clermont County to be the third fastest growing County employment-wise in the State through the year 2006. The County unemployment rate of 5.2% at December 31, 2006 compares to 5.4% for the State of Ohio and 4.3% for the United States.

Clermont County's tax base includes 58 companies with 100 or more employees including Duke Energy (Greater Cincinnati) - 4,700 employees, Cincinnati Bell Telephone (Greater Cincinnati) - 2,700 employees, Batavia Transmissions LLC - 1,335 employees, The Midland Company - 1,200 employees, UGS corporation - 656 employees, Total Quality Logistics - 627 International Paper - 627 employees and Milacron - 600 employees.

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

Clermont County's economy has experienced relative growth within the Cincinnati metropolitan economy. While the retail and service sectors have grown significantly, Clermont County still has a healthy industrial base. Currently there are more than 7,358 businesses located in Clermont County including 2,701 service businesses, 1,604 retail and wholesale enterprises, 1,016 construction related business and 417 manufacturing companies. Some of the largest employers in the County are Batavia Transmissions LLC, which operates an automotive transmission plant; Milacron, a producer of plastic machinery parts; Cinergy, a provider of utilities in the area; Clermont Mercy Hospital, which provides medical services for residents of the County; Midland Company, a major national insurance provider/underwriter; UGS, an engineering firm specializing in computer software design work; and International Paper. Many of the major employers in Clermont County are located in the western parts of the County in close proximity to Cincinnati. In the late 1980's and 1990's new office parks, shopping centers, and residential developments began to appear near the intersection of I-275 and State Route 32, the Appalachian Highway.

As with many regions in the country, Clermont County is seeing the service sector become an increasingly larger part of the economy as manufacturing employment is stable or declines. This is evidenced by the announced idling of the Ford Motor Company's Batavia Transmissions plant planned for 2008. Although the loss of such an employer is significant to any community the impact to affected taxing districts is mitigated because of existing tax abatements for the facility and modifications of the personal property tax laws in Ohio as well as growth of other businesses, such as Midland, an insurance firm, and Total Quality Logistics, a third-party logistics provider.

As part of its development strategy, Clermont County is working to ensure it has sufficient office and industrial property available to accommodate growth in both sectors. Office growth has generally concentrated around the I-275 beltway while industrial development is more dispersed throughout the County. The Board of County Commissioners acquired 100 acres for development of a Class A office park in Union Township. The first 30 acres of property have been transferred to the Clermont County Community Improvement Corporation (CIC) to facilitate the sale and development of the land. The other 70 acres are planned to be transferred to the CIC. As the CIC sells the land, the County is to be reimbursed for the adjusted basis of the cost of the land.

The largest number of businesses are located in the areas of Union, Miami and Batavia Townships because of transportation advantages such as close proximity to I-275, a major regional highway that provides ready access to the Cincinnati/Northern Kentucky International Airport, the City of Cincinnati and major regional arterial highways. These established centers also have access to all major utilities and infrastructure necessary to support larger development projects. The sales tax generated by the retail establishments in these areas comprises a significant portion of Clermont County's general fund revenues.

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

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

In the County's northern Miami Township area at the State Route 28 interchange of I-275 is a growing retail location including a Lowe's home improvement store that opened in 2003. International House of Pancakes, Chipotle, and other restaurants and a Holiday Inn hotel are included at this interchange. Further east on SR28 is the Mulberry Square Shopping area includes large retailers such as Kroger, Kohl's, Sears Hardware, Meijer and Home Depot. Mulberry area restaurants include Applebee's, O'Charley's and other fast food establishments. This area has approximately 200,000 square feet of office space as well.

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

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

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

Large discount retailers have located in the County to take advantage of the rapid population growth, housing increases and strong community demographics. These include companies such as Office Max, Circuit City, HHGregg, Wal-Mart, Meijer, Value City, Home Depot, Lowe's, K-Mart, Sam's Club, Dick's Sporting Goods, Best Buy, Michaels, Hobby Lobby, Bigg's, PetsMart, Toys R' Us, Borders, Big Lots, Kroger, Thriftway, Furniture Fair, Oak Express, Bed Bath and Beyond, DSW Shoes and others. Wal-Mart recently completed the construction of super stores located on state route 125 and in the Eastgate area. These super stores will provide an influx of potential sales revenue to the County.

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

Light industries representing a diversified mix of local, national and foreign concerns are located in the County including Ellis & Watts (a subsidiary of Dynamics Corp of America), 3M Precision Optics, L3 (KDI Precision Products), Q.C. Industries, EEI, Inc, A&A Safety, Inc., General Data Company, Sun Chemical, LeBlond Makino, Stewart Film Screens, Sano, Mobilized Systems, Automated Machinery, Rockwell Automation, Tri-State Fabricators and Batavia Transmissions LLC.

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

Companies expanding in or relocating to Clermont County in 2006 invested almost \$26.2 million in new real and personal property, constructed 350,000 square feet of new buildings, created 744 new jobs. Since the inception of the Rural Enterprise Zone Program, Clermont County has granted 165 tax abatements to attract new employment and capital investments. These 165 transactions have generated more than 7,442 new jobs, retained more than 16,565 jobs within the community and have resulted in more than \$2.14 billion being invested in Clermont County. The application and use of the Rural Enterprise Zone will be a continuing strategy for the County in maximizing job creation, job retention, business investments, diversification and employment opportunities.

### **Future Economic Outlook**

Clermont County has experienced rapid residential growth over the past decade. With an 18.5% population growth rate for the decade of the 1990's and an increase in every year of the new millennium for new housing starts, Clermont County has seen its property valuation distribution move from a 72% residential / 28% commercial allocation to a 79% residential / 21% commercial distribution. As of year-end 2006, the average price of a residential transfer in Clermont County was \$182,223. This increase in housing values coupled with Clermont County's population growth means an expanding revenue base. Additionally, with the increase in the number of new businesses in Clermont County, the overall revenue stream from residential and commercial sources should continue to rise. The increased diversification of the County's tax base also serves to lessen any year-to-year fluctuations in revenues.

Although Clermont County has experienced growth in key economic development factors, Clermont County maintains an ultra conservative approach to spending while maximizing its local revenues. Current economic indicators show that the current economy should remain at its current pace. Given these conditions, and the upgrade and expansion of the retail base in the western corridor of the County, we anticipate over the next year a moderate increase in sales tax revenues. However, Clermont County will have to review alternative methods of intergovernmental funding in order to maximize such funding.

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

With the diverse Southwest Ohio economy, the prospects for 2006 and beyond still look promising. Clermont County's inclusion in the Greater Cincinnati Metropolitan area has been a key factor in the population growth that has been experienced in the past two decades. Clermont County will continue to provide this area with an environment that offers the benefits of small town and/or country living within minutes of a large urban environment.

## MAJOR COUNTY INITIATIVES

### Current Year Projects

**Auditor:** In 2006, the Clermont County Auditor's Office received its twentieth consecutive *Certificate of Achievement in Financial Reporting* for its 2005 Comprehensive Annual Financial Report (CAFR), and it also received the sixth consecutive Certificate of Achievement for Excellence in Financial Reporting for its Popular Annual Financial Report (PAFR). The PAFR provides a brief analysis of how well the County is doing in a condensed and more easily readable report. As part of the 2005 CAFR, the Auditor's Office implemented new statistical tables which provide more detail on financial trends, economic information, and operating information in the county. The Auditor's real estate web site ([www.clermontauditorrealestate.org](http://www.clermontauditorrealestate.org)) continues to be a comprehensive source of property data, taxes and land information.

### Department of Job and Family Services

The Department of Job & Family Services (DJFS) administers a diverse range of programs that benefit thousands of Clermont County's most vulnerable citizens in every age group from newborns to the elderly. During 2006, the department continued to innovate and be proactive in the administration of complex programs supported by federal, state and local funds emphasizing professional services and fiscal responsibility.

**The Children's Protective Services (CPS)** In 2006, the Children's Protective Services (CPS) division of DJFS achieved a record number of adoptions enabling 45 children to have a permanent home. Two new caseworkers were hired. CPS also recorded a 30 percent increase in the number of phone calls to the agency asking for assistance..

**The Employment Services Division (ES)** received an award from the Ohio Department of Job and Family Services for superior accuracy in administering the food stamp program; ES provides monthly food stamp benefits to over 8,000 Clermont County citizens. The largest program administered by the division is the Medicaid program, covering over 22,000 Clermont County citizens. The Child Care program offers support for working families to assist them in obtaining day care for their children. ES initiated a public awareness campaign for this program with billboard advertisements placed throughout the county resulting in a 44 percent increase in applications. The Benefit Recovery Unit collected \$251,000 in erroneous benefits and referred 63 fraud cases to the Prosecutor's Office in 2006.

The Clermont/Butler/Warren County workforce development partnership (**Workforce One**) continued to thrive and innovate during 2006. A record number of businesses and individuals looking for a job utilized Workforce One services at the Business and Workforce Resource Center (BWRC) of Clermont County located in the Eastgate area. The partnership also expanded its marketing efforts in the region and has forged ongoing relationships with economic development professionals to facilitate a more comprehensive approach to Clermont's population and workforce growth.

**The Child Support Enforcement (CSE)** division of DJFS was honored by the Ohio Family Support Association with a *Best Practice Award* for a flyer highlighting program awareness for felony nonsupport of dependents, which was distributed in county water and sewer bills. During August 2006, the Sheriff's Office arrested 127 individuals who were delinquent in child support payments; these arrests have resulted in collections of \$54,000 in past due payments. In 2006, CSE collected \$36.6 million in support payments.

**Domestic Relations Court:** The Domestic Relations Court has had great success with the newly created Alternative Sentencing Program; the program provides an alternative to jail for delinquent fathers. The Court received a *Best Practice Award* from the Ohio Family Support Association and an *Excellence Award for Judge of the Year* from the Ohio Child Support Enforcement Directors Association. The awards



recognized innovative efforts toward strengthening child support enforcement by implementing innovative ways to collect child support. Other successful programs the Court offers are the KIDS (Kids In Divorce Situations) program and the Coping program, to help children cope with divorce. Since the inception of these programs, thousands of families have received help with parenting issues.

**Department of Public Safety Services:** During 2006, the Clermont County Department of Public Safety Services worked with other 911 communication centers to complete a countywide 911 wireless enhancement protocol plan that enabled the County to receive necessary funding from the Ohio Department of Public Utilities in order to make enhancements to existing communication infrastructure. The County anticipates receiving \$300,000 in 2007.

**Department of Economic Development:** In 2006, a large number of groundbreakings and ribbon cuttings demonstrated that many Clermont County companies are enjoying strong growth and making significant investments in the community. Companies such as Total Quality Logistics, Midland Company, Melink Corporation, and Mercy Hospital Clermont all broke ground or celebrated grand openings for new facilities. Existing businesses and new companies moving to the county announced the creation of 744 new jobs and capital investment of over \$26.2 million; that investment will result in the construction of nearly 350,000 square feet of new commercial real estate. The Office of Economic Development assists companies in identifying suitable locations to grow, enabling capital investment through incentive packages and aggressive promotion of the county as a great place to grow a business. The OED continues their marketing effort to raise the county's profile, including launching the website [www.ClermontCountyOhio.biz](http://www.ClermontCountyOhio.biz), which features a searchable database of available commercial property.

**Department of Environmental Quality:** In 2006, Clermont County continued to operate 33 drop-off recycling sites, sponsored two electronics recycling events, held an educational program for county schools, and operated the Household Hazardous Waste collection program. As in past years, the county teamed with various agencies and organizations for several neighborhood clean-ups, the East Fork River Sweep, and the Ohio River Sweep. Litter was removed from over 800 miles of roads utilizing the Municipal Court alternative sentencing program. From April through October, the county once again conducted extensive chemical and biological sampling as part of the Clermont Water Quality Monitoring Program. The program's goal is to document existing conditions and monitor trends in the quality of the county's aquatic resources, especially as they respond to development activities or remediation and preservation efforts. This information is also being used to develop a Total Maximum Daily Load (TMDL) model for the East Fork Little Miami River watershed to determine maximum allowable pollutant loads and allocate these loads among the various sources, as required by the Clean Water Act.

**Municipal Court:** In 2005 Clermont County Municipal Court was selected by the Ohio Department of Public Safety, in cooperation with the Ohio Supreme Court to implement one of the first of two (2) DUI Courts in the State of Ohio. The DUI Court is a three (3) year pilot study to determine the effect DUI Courts have on managing repeat drunken drivers referred by Judge Victor M. Haddad, Judge Thomas R. Herman and Judge James A. Shriver.

The DUI Court models itself after the highly successful drug court concept that has shown considerable promise in rehabilitating offenders with alcohol and drug addictions and reducing recidivism. Judge Shriver currently presides over DUI Court which meets on a weekly basis. DUI Court offenders are required to report to a probation officer for increased contacts, similar to that of intensive supervision probation (ISP). Offenders are subject to random alcohol monitoring and drug testing, mandatory treatment, and are subject to curfews with or without electronic monitoring. As with drug courts, offenders are required to frequently appear before the DUI Court Judge over a long period of time and receive incentives to reward behavior and/or use graduated sanctions to punish behaviors. The DUI Court project is an innovative judicial approach that not only fosters offender accountability, but has significant research value that is relevant to the State of Ohio in determining what works best for managing DUI offenders. The Clermont County Municipal DUI Court in its second year of federal grant funding from the Ohio Department of Public Safety had a total of 67 participants accepted into the program since its implementation in May 2005.

**Municipal Court Adult Probation Department:** In 2006, the Clermont County Municipal Court Adult Probation Department supervised approximately 1,150 misdemeanor offenders referred by Judge Victor Haddad, Judge Thomas Herman, and Judge James Shriver. Misdemeanor offenders are placed on reporting probation to monitor court-ordered conditions of probation and to assist in rehabilitating the offenders.

**Municipal Court and Common Pleas Adult Probation Departments:** The departments participated in a pilot study with the University of Cincinnati and the Ohio Department of Rehabilitation and Correction (ODRC) to implement the Best Practices of Community Corrections. The departments received a one-time grant for training sponsored through Talbert House, Inc. for motivational interviewing techniques. Chief Probation Officer Joe Ellison served on the ODRC symposium panel to discuss the Evidence Based Practices as instituted by the Municipal Court Adult Probation Department. A total of 2,007 offenders were ordered to perform 70,935 hours of community service; approximately 944 miles of litter was picked up on township and county roadways.

**Recorder's Office:** The Clermont County Recorder's Office processed 44,790 documents in 2006 and collected \$2.1 million, of which \$1 million was collected for the Ohio Housing Trust Fund. The office has scanned over 457,000 images that will be added to the Web site enabling citizens to track data back to 1978; ongoing records preservation will repair and replace deteriorating books. The Recorder's website is located at [www.landaccess.com](http://www.landaccess.com).

**Sheriff:** In 2006, the Clermont County Jail opened a 192 bed addition consisting of 96 cells that are double bunked. The inmates from the minimum security section were moved to the new section which can be operated more efficiently. The jail served over 372,000 inmate meals, including 25,894 for the Juvenile Detention Center at a cost of \$1.05 each. Inmates in the Sheriff's Trustee Program worked 96,345 hours on numerous projects within the county saving taxpayers thousands of dollars. The Clermont Jail was recognized in 2006 for being in 100 percent compliance with standards set forth by the Bureau of Adult Detention, as well as being in compliance with the standards of the National Commission on Correctional Health Care. In 2006, the Clermont County Narcotics Unit conducted nearly 950 investigations, and arrested more than 170 mid to upper-level narcotics traffickers. Also in 2006, the unit removed and/or seized drugs with a street value of \$583,800; a total of 30 drug lab locations were discovered and 81 subjects were arrested on methamphetamine related charges.

**TASC:** The Treatment Alternatives to Street Crime (TASC) program provided assessment and case management services to 571 court referred individuals by Municipal, Common Pleas Courts or Probation departments due to alcohol or other drug related problems through our Ohio Department of Alcohol and Drug Addiction Services (ODADAS) funded program for drug and alcohol related problems in 2006. TASC's role in the diversion process contributed to the reduction of approximately 41,225 days of jail or prison time that would have been served by these clients, saving thousands of tax dollars for other critical county services

**Water and Sewer:** During 2006, the Clermont County Water and Sewer District completed over \$13.4 million in capital improvement projects. These projects included new water and sewer mains, elevated water storage tanks, wastewater treatment plant upgrades, and a flow equalization facility. The Sewer District continued construction of the Lower East Fork Wastewater Treatment Plant, completed construction of the Hall Run Sanitary Flow Equalization Project, and began construction of the Shayler Run Sanitary Flow Equalization Facility.

**Common Pleas Court:** Judge Victor Haddad was elected in November 2006 as the fourth Judge of the General Division of the Common Pleas Court. Judge Haddad took the bench on January 3, 2007, joining Judge William Walker, Judge Robert Ringland, and Judge Jerry McBride. On December 3, 2006, a rededication ceremony was held to commemorate the reconstruction of the oldest portion of the Common Pleas Courthouse.

**Coroner:** In October 2006, the Clermont County Coroner's Office participated in a large mock disaster drill at the Great American Ballpark; it was the first opportunity to test the recently acquired Clermont County Mass Fatality Unit. This trailer was acquired utilizing homeland security funds. Debbie Hawkins recently earned the distinction of qualifying as a Registered Medicolegal Death Investigator.

**Engineer:** The Clermont County Engineer's Office completed \$9 million in construction projects in 2006. Clough Pike was improved between Shayler Road and McMann Road and traffic signals were installed at the intersection of Clough and Shayler and at Clough and McMann. The intersection of Branch Hill Guinea Pike and Wards Corner Road was realigned with traffic signals installed. Elick Lane at SR 32 was extended to Old SR 74 and left turn arrows were added to Bach Buxton Road and Elick Lane for traffic entering SR32. Additionally in 2006, the Engineer's Office completed 35 miles of road resurfacing, 6 landslide repairs, and 8 bridge replacements. These projects were funded through various grants and private partnerships and by utilizing local funds. The Clermont Engineer is Patrick J. Manger, P.E., P.S.

### **Future Projects**

The County continues to play an active role in the development of the Eastern Corridor Transportation project and the overall economic development of Clermont County. In December 2005, the County approved the creation of multiple tax incentive financing districts in order to secure local funding for anticipated infrastructure improvements associated with the Eastern Corridor projects. Those projects collectively are estimated at \$50 to \$75 million with funding over multiple years from federal, state and local monies. The County's aggressive approach to economic development during 2006, saw the procurement of land purchase contracts in conjunction with the County's Community Improvement Corporation to develop prime commercial land for new business to Clermont County.

Necessary technology and infrastructure updates to the County's existing 800 Mhz system will take place in the near future. In 2006, the County saw the creation and approval of a County-Wide 911 enhanced wireless plan. In conjunction with that plan, the County will receive an estimated \$300,000 over the next five years to implement the plan and to make any necessary upgrades. The cost of the expansion of the system and the enhanced wireless is estimated at \$2 million.

## **FINANCIAL INFORMATION**

### **Accounting System and Internal Control**

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

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

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

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

### **Budgetary Controls**

The Board of County Commissioners adopted the 2006 annual budget for the County in December 2005. All disbursements and transfers of cash between funds require appropriation authority from the Commissioners. Budgets are controlled at the major object level within a department and fund. All purchase orders must be approved by department heads and submitted to the County Auditor for processing. The necessary funds are encumbered and the purchase order released to the vendors; those purchase orders which exceed the available appropriation are rejected until additional funds are secured.

### **Cash Management**

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

Certain deposits are collateralized with securities held by the pledging financial institution, or by its trust department or agent in the County's name. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool with a current market value at least equal to 105% of all public monies on deposit with the depository established by the financial institution to secure the repayment of all public moneys deposited with the institution.

### **Risk Management**

Clermont County is continuing its efforts to use alternative coverage to get the maximum amount of insurance coverage for the minimum amount of premiums. In 2006, Clermont County carried comprehensive general liability including law enforcement liability, blanket crime coverage, public officials liability insurance, fleet insurance, and a comprehensive boiler and machinery coverage.

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

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

### **Health Benefits**

After ninety days of full time employment, each new employee is eligible for health care benefits provided by Clermont County. The County has elected to provide employees major medical, vision and hospitalization through a self-insured program. Clermont County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Third party administrators, Humana and Dental Care Plus Insurance Companies, review all claims which are then paid by the County. Clermont County purchases stop-loss coverage of \$100,000 per employee and an aggregate limit of \$1,000,000. Clermont County pays into the self-insurance internal service fund \$761.76 for family coverage and \$350.66 for individual coverage per employee per month which

represents 75% of the entire premium required (County employees pay 25%). The premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

### **INDEPENDENT AUDIT**

Included in this report is an Auditor of State unqualified opinion rendered on Clermont County's financial position and results of operations as reported in the basic financial statements for the year ended December 31, 2006. An annual, independent audit of the County's financial statements is part of the annual preparation of a Comprehensive Annual Financial Report. This annual, independent audit continues to provide a review and comments which strengthen Clermont County's accounting and budgetary controls.

### **GFOA CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Clermont County for its comprehensive annual financial report (CAFR) for the year ended December 31, 2005. This was the twentieth consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents must satisfy both generally accepted accounting principles and applicable legal requirements.

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

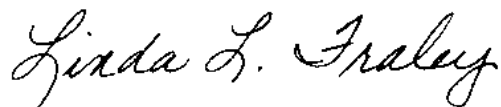
### **ACKNOWLEDGMENTS**

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

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

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

Respectfully,



Linda L. Fraley  
Clermont County Auditor

**CLERMONT COUNTY, OHIO  
ELECTED OFFICIALS**

**BOARD OF COUNTY COMMISSIONERS:**

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

**OTHER ELECTED OFFICIALS:**

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

**TWELFTH DISTRICT COURT OF APPEALS:**

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

**COMMON PLEAS COURT**

General Division:

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

Domestic Relations Division:

Michael J. Voris ..... Judge

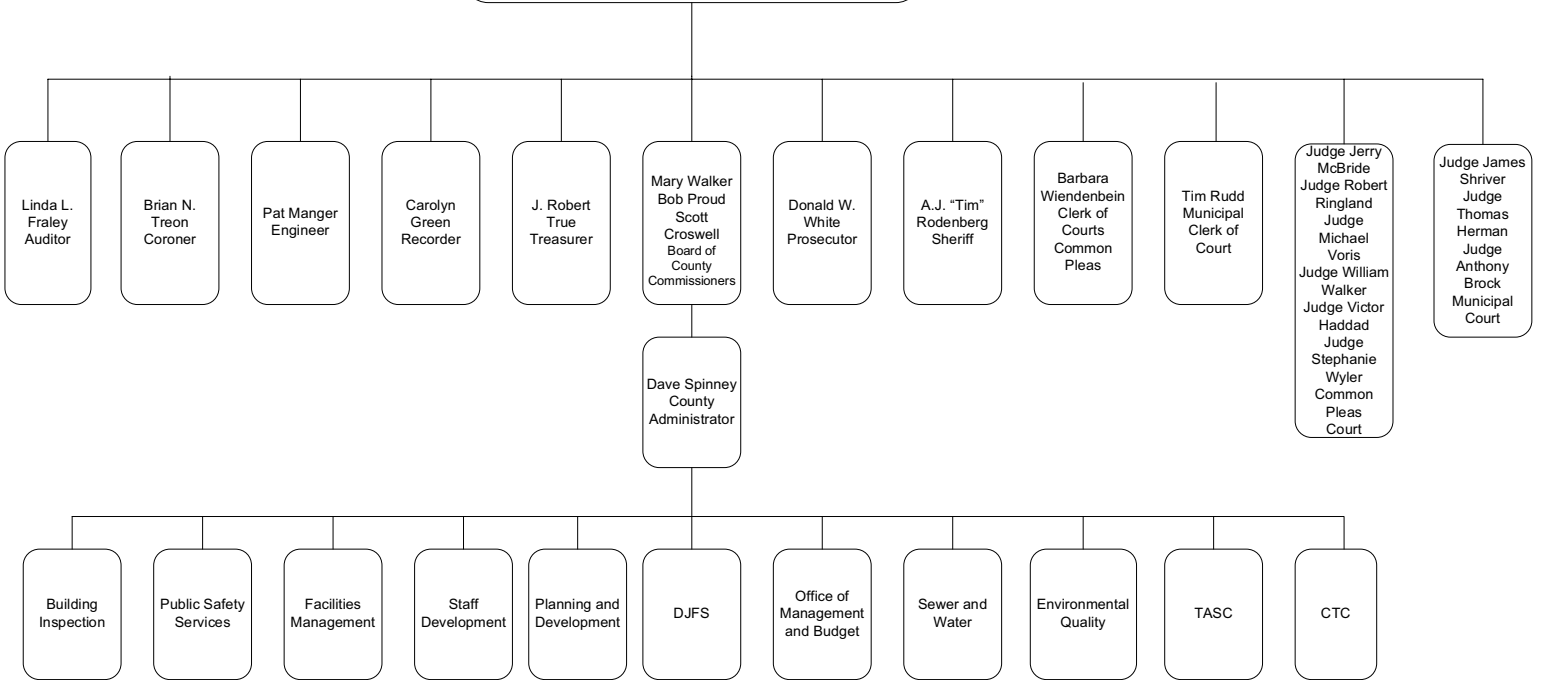
Juvenile and Probate Division:

Stephanie Wyler ..... Judge

**MUNICIPAL COURT**

James A. Shriver ..... Administrative Judge  
Anthony Brock ..... Judge  
Thomas R. Herman ..... Judge

**The People of Clermont County**



**County Commissions**

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

**County Boards and Affiliated Organizations**

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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Clermont County  
Ohio

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 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. Han".

President

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

Executive Director



## **FINANCIAL SECTION**





# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Clermont County  
101 East Main Street  
Batavia, Ohio 45103

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont County, Ohio (the County), as of and for the year ended December 31, 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 Clermont County Water District and the Clermont County Sewer District which are both major enterprise funds for the business-type activities and represents all the assets, net assets, and revenues of the business-type activities. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for the business-type activities and the Water Fund and Sewer Fund major enterprise funds on the report of the other auditors.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Clermont 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 and Social Services, and Motor Vehicle and Gas Tax funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 1, 2007, on our consideration of the Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Management Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining financial statements and schedules and statistical section tables provide additional information and are not a required part of the basic financial statements. We subjected the combining financial statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based on our audit and the report of the other auditors, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We and the other auditors did not subject the introductory and statistical sections to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 1, 2007

**Clermont County, Ohio**  
Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

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The discussion and analysis of Clermont County's financial performance provides an overall review of the County's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the County's financial performance as a whole; readers should also review the transmittal letter, and the basic financial statements to enhance their understanding of the County's financial performance.

**Financial Highlights**

Key financial highlights for 2006 are as follows:

- ◆ The assets of the County exceeded its liabilities at the close of the year ended December 31, 2006, by \$469.3 million (net assets). Of this amount, \$34.3 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors of governmental activities, and \$65.2 million is classified as unrestricted in the Water and Sewer activities.
- ◆ The County's total net assets increased by \$20.7 million, which represents a 4.6% increase from 2005.
- ◆ At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$55.4 million, a decrease of \$4.4 million from the prior year. Of this amount, \$47.8 million is available for spending (unreserved fund balance) on behalf of its citizens.
- ◆ At the end of the current fiscal year, unreserved fund balance for the general fund was \$18.9 million, or 31.7% of total general fund expenditures and other financing uses.
- ◆ Clermont County's total debt decreased by \$4.7 million which represents a 7.5% decrease in debt related to governmental activities and a 2.9% decrease in debt related to business-type activities.
- ◆ During 2006, the County purchased 100 acres of land for \$8.2 million related to economic development initiatives in western Clermont County.

**Using this Annual Financial Report**

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

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

**Clermont County, Ohio**  
Management's Discussion and Analysis  
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## **Reporting Clermont County as a Whole**

### Statement of Net Assets and the Statement of Activities

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

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

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

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

## **Reporting Clermont County's Most Significant Funds**

### Fund Financial Statements

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

Based on restrictions on the use of monies, the County has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the County's most significant funds. In the case of Clermont County, our major funds are the General, Social Services, Motor Vehicle and Gas, Special Assessment Debt Service, and County Capital Improvements. The analysis of the County's major funds begins on page 22.

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

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

The County maintains a multitude of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The nonmajor governmental fund financial statements can be found on pages 78-84 of this report.

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

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

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

*Other information:* In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules which begin on page 78 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$469.4 million (\$205.2 million in governmental activities and \$264.1 million in business-type activities) as of December 31, 2006. The largest portion of the County's net assets (66.9%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of

**Clermont County, Ohio**  
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related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1 provides a summary of the County's net assets for 2006 compared to 2005.

Table 1  
**Net Assets**  
(In Millions)

	Governmental Activities (Restated)		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Assets</b>						
Current & Other Assets	\$ 118.7	\$ 118.0	\$ 85.1	\$ 92.8	\$ 203.8	\$ 210.8
Capital Assets, Net	<u>149.1</u>	<u>144.8</u>	<u>261.3</u>	<u>239.3</u>	<u>410.4</u>	<u>384.1</u>
<i>Total Assets</i>	<u>267.8</u>	<u>262.8</u>	<u>346.4</u>	<u>332.1</u>	<u>614.2</u>	<u>594.9</u>
<b>Liabilities</b>						
Current & Other Liabilities	(28.0)	(27.8)	(8.0)	(5.0)	(36.0)	(32.8)
Long-Term Liabilities						
Due Within One Year	(6.8)	(6.5)	(4.4)	(4.1)	(11.2)	(10.6)
Due in More Than One Year	<u>(27.8)</u>	<u>(30.5)</u>	<u>(69.9)</u>	<u>(72.4)</u>	<u>(97.7)</u>	<u>(102.9)</u>
<i>Total Liabilities</i>	<u>(62.6)</u>	<u>(64.8)</u>	<u>(82.3)</u>	<u>(81.5)</u>	<u>(144.9)</u>	<u>(146.3)</u>
<b>Net Assets</b>						
Invested in Capital Assets Net of Debt	124.5	117.5	189.5	165.5	314.0	283.0
Restricted:						
Capital Projects	15.8	17.0	0.0	0.0	15.8	17.0
Debt Service	8.5	14.4	9.4	9.2	17.9	23.6
Public Works	6.9	7.8	0.0	0.0	6.9	7.8
Real Estate	3.8	3.6	0.0	0.0	3.8	3.6
Judicial	2.1	2.2	0.0	0.0	2.1	2.2
Grants	9.3	13.1	0.0	0.0	9.3	13.1
Unrestricted	<u>34.3</u>	<u>22.4</u>	<u>65.2</u>	<u>75.9</u>	<u>99.5</u>	<u>98.3</u>
<i>Total Net Assets</i>	<u>\$ 205.2</u>	<u>\$ 198.0</u>	<u>\$ 264.1</u>	<u>\$ 250.6</u>	<u>\$ 469.3</u>	<u>\$ 448.6</u>

An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. In the current year, this represented \$55.8 million or 11.9% of net assets. \$99.5 million or 21.2% of net assets may be used to meet the County's ongoing obligations to its citizens and creditors and for Water and Sewer activities.

As of December 31, 2006, the County is able to report positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year. Total assets increased \$19.4 million overall. A \$26.3 million increase in net capital assets made up the majority of this change combined with a \$7.0 million decrease in other assets. Total liabilities decreased \$1.4 million which can be attributed to the decrease in long term liabilities.



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Management's Discussion and Analysis  
For the Year Ended December 31, 2006  
Unaudited

Table 2 below provides a summary of the changes in net assets for 2006 compared to 2005.

**Table 2**  
**Changes in Net Assets**  
(In Millions)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Program Revenues:</b>						
Charges for Services	\$ 25.9	\$ 25.0	\$ 24.7	\$ 25.5	\$ 50.6	\$ 50.5
Operating Grants, Contributions and Interest	33.6	33.7	0.0	0.0	33.6	33.7
Capital Grants and Contributions	6.5	12.5	12.3	13.2	18.8	25.7
<b>General Revenues:</b>						
Property Taxes	18.3	16.8	0.0	0.0	18.3	16.8
Sales Taxes	23.1	22.8	0.0	0.0	23.1	22.8
Other Taxes	0.5	0.4	0.0	0.0	0.5	0.4
Unrestricted Grants	6.1	5.9	0.0	0.0	6.1	5.9
Other	5.0	3.1	0.0	0.0	5.0	3.1
Water and Sewer	0.0	0.0	3.3	2.3	3.3	2.3
<b>Total Revenues</b>	<b>119.0</b>	<b>120.2</b>	<b>40.3</b>	<b>41.0</b>	<b>159.3</b>	<b>161.2</b>
<b>Program Expenses</b>						
<b>General Government:</b>						
Legislative and Executive	20.5	22.7	0.0	0.0	20.5	22.7
Judicial System	10.2	9.8	0.0	0.0	10.2	9.8
Public Safety	26.8	27.4	0.0	0.0	26.8	27.4
Public Works	10.0	7.6	0.0	0.0	10.0	7.6
Health	0.9	0.6	0.0	0.0	0.9	0.6
Human Services	36.2	30.2	0.0	0.0	36.2	30.2
Community Development	2.1	3.4	0.0	0.0	2.1	3.4
Economic Development	0.9	0.4	0.0	0.0	0.9	0.4
Transportation	2.2	1.6	0.0	0.0	2.2	1.6
Interest and Fiscal Charges	1.3	1.4	0.0	0.0	1.3	1.4
Water and Sewer	0.0	0.0	27.5	27.1	27.5	27.1
<b>Total Expenses</b>	<b>111.1</b>	<b>105.1</b>	<b>27.5</b>	<b>27.1</b>	<b>138.6</b>	<b>132.2</b>
<b>Increase in Net Assets before Transfers</b>	<b>7.9</b>	<b>15.1</b>	<b>12.8</b>	<b>13.9</b>	<b>20.7</b>	<b>29.0</b>
<b>Transfers</b>	<b>(0.7)</b>	<b>(1.8)</b>	<b>0.7</b>	<b>1.8</b>	<b>0.0</b>	<b>0.0</b>
<b>Increase in Net Assets</b>	<b>\$ 7.2</b>	<b>\$ 13.3</b>	<b>\$ 13.5</b>	<b>\$ 15.7</b>	<b>\$ 20.7</b>	<b>\$ 29.0</b>

**Governmental Activities**

The legislative and executive programs of the County represent the activities related to the governing body and other elected officials in the performance of their primary duties and subsidiary activities. These activities directly support other programs of the County and service its citizens. In 2006, this represented 18.5% of the County's total expenses. The County's elected officials and department heads worked with the County Commissioners to maintain effective programs for its citizens. The \$2.2 million decrease is due to a decrease in liability insurance paid and a decrease in noncapital equipment purchased in 2006.

The County's public work programs continue to monitor and maintain the infrastructure of the County. Public Work programs increased spending by \$2.4 million for bridge and road maintenance.

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The County's human service programs provide children services, child support, assistance for the needy, and job development services. The County had increased its spending by \$6.0 million because of an increase in foster care services provided. The increase in spending is also due to a change in the disbursement of state funds to the County where money had to be returned to the State for prior year revenue to provide for the new disbursement of state funds.

The County received \$1.5 million more in property tax revenue in 2006 due to the 2005 triennial update. Capital grants and contributions decreased by \$6.0 million due to the grant proceeds received in 2005 for the new jail addition.

The County's strategy to secure the maximum amount of grants and contributions that are provided by the state and federal governments continues to be productive. The County continues to explore and acquire new intergovernmental revenue streams while maximizing its current intergovernmental allocations to better address program needs. Grants and state revenue related to human services programs included TANF, Workforce Development, and Children Services programs which comprise 60.4% of the County's intergovernmental revenue. Grants and state revenue related to the County's public works program included OPWC grants, highway construction and planning, Motor Vehicle License Tax, and Motor Vehicle Gas Tax accounted for 22.2% of the County's intergovernmental revenue.

*Business-Type Activities*

In 2006, the County's Water and Sewer Systems program revenue decreased by \$1.7 million due to a decrease in charges for services and contributions. General revenue increased by \$1.0 million due to an increase in investment income. The County's Water and Sewer expenses increased by \$.4 million due to an increase in personnel costs and contractual services. This resulted in a \$1.1 decrease in net assets before transfers.

**Financial Analysis of the County's Funds**

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

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

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$55.4 million. Approximately \$47.8 million of this amount constitutes unreserved fund balance, which is available for spending for its citizens. \$2.3 million of the unreserved fund balance is designated for budget stabilization. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders at year end (\$6.0 million), and to account for the reservation of loans, advances, and prepaid items (\$1.6 million). While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to their being restricted for use for a particular purpose mandated by the source of the resources such as the state and federal governments or a tax levy.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$18.9 million, while the total fund balance reached \$20.9 million. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents

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approximately 31.7% of the total general fund expenditures and other financing uses, while total fund balance represents 35.1% of that same amount.

The fund balance of the County's General Fund decreased by \$4.0 million during the current fiscal year with expenditures exceeding revenues by \$1.1 million. Key factors are as follows:

- ◆ The County's General Fund economic development program incurred expenditures of \$9.0 million. \$8.2 million is due to the 100 acres purchased in western Clermont County for economic development initiatives.
- ◆ The County saw an increase in property taxes due to the 2005 triennial update.
- ◆ The County had an increase in interest income due to a higher return on investments.
- ◆ Transfers were \$4.0 million. Transfers were made for debt service payments, capital projects, and matching requirements for grants.

In 2006, the Motor Vehicle and Gas fund continued its construction and improvement of County roads and bridges. The timing of receiving the Highway Planning and Construction grant money for these projects resulted in a \$1.2 million increase in intergovernmental revenue. The Motor Vehicle and Gas fund received \$1.0 million in OPWC loan proceeds for road and bridge projects.

The Social Services fund saw a \$3.0 million increase in intergovernmental revenue in the assistance for needy family programs and in the Workforce Development programs. Expenditures increased \$6.1 million because of an increase in day care and foster care costs and \$3.5 million returned to the state of prior year revenue as part of new procedures implemented by the state to disburse money to the County's Social Services fund.

In 2006, the County's Water and Sewer Systems funds' operating revenue decreased by \$1.0 million and operating expenses increased by \$.4 million. The County's Water and Sewer operations recorded a decrease of \$1.4 million in operating income from 2006. Capital contributions decreased by \$.8 million as a result of a decrease in donated capital. Of the \$12.4 million capital contribution, \$6.7 million represented non-cash or donated assets.

### **General Fund Budgeting Highlights**

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

During the course of 2006, the County amended its general fund budget numerous times, the most significant noted below. All recommendations for the budget came to the Office of Management and Budget for review. A modification to the original budget for Personal Services and Capital Outlay object levels requires the approval of the Board of County Commissioners. With the General Fund supporting many of our major activities such as our public safety programs, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments. A summary of noted differences and explanations:

- ◆ The County spent \$1.0 million less than appropriated in public safety because of a reduction in personal services.

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- ◆ Proceeds from the sale of capital assets is \$1.0 million less than budgeted. This is due to the 30 acres transferred to the Clermont County Community Improvement Corporation that is contracted to be sold, only 12.5 acres was sold in 2006.

**Capital Assets and Debt Administration**

*Capital Assets:* The County's investment in capital assets for its governmental and business-type activities as of December 31, 2006, amounts to \$410.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, equipment and machinery, roads, highways, and bridges.

Note H (Capital Assets) provides capital asset activity during 2006.

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

- ◆ During 2006, the Clermont County Engineer's Office continued its replacement and improvement capital plan by replacing several deficient bridges and completing several roadway improvement projects. The overall cost for these projects was \$5.7 million. Various funding sources were used including Ohio Public Works Commission (OPWC), Ohio Department of Transportation (ODOT), Board of Clermont County Commissioners, and the County Engineer's funds.
- ◆ In 2006, the adult detention expansion project was completed at a cost of \$11.2 million.
- ◆ Received \$1.5 million of waterlines from developers.
- ◆ Received \$5.2 million of sewer lines from developers.
- ◆ 2006 also saw the completion of the Clough/GlenEste 2MG Storage Tank (\$2.8 million), the Loveland-Miamiville 2MG storage tank (\$2.6 million), the Tealtown/Schoolhouse/Elick Water Main (\$1.9 million), the Sewer SCADA System (\$1.5 million), and the SR131/Dry Run/Melody Sewer Line (\$1.4 million). These improvement projects are for the continuing operation and maintenance of the water and sewer systems.

*Long-term Debt:* At the end of 2006, the County had general obligation debt outstanding of \$30.0 million. Of this amount, \$21.8 million comprises debt backed by the full faith and credit of the County, \$1.2 million comprises of OPWC commitments to be repaid from the Motor Vehicle and Gas fund and \$7.0 million is special assessment debt for which the County is liable in the event of default by the property owner subject to the assessment.

The County's long-term general obligation debt decreased by \$2.4 million or 7.5% during the 2006 fiscal year, and the County's Water and Sewer debt decreased \$2.3 million or 2.9%.

The County maintains an Aa3 rating from Moody's for general obligation debt. State statute limits the total amount of debt a governmental entity may issue. The current unvoted debt margin for the County is \$31.7 million. In addition to the bonded debt, the County's long-term obligations includes compensated absences. Additional information on the County's long-term debt can be found in Note I of this report. Interest and fiscal charges for 2006 for the county, were \$1.3 million for governmental activities and \$3.3 million for business type activities.

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**Economic Factors and Next Year's Budgets and Rates**

The County has experienced residential growth and an increase in property valuation over the past decade, and as a result sales and property tax collections on which the County is reliant are roughly 53% of its operating budget. The increase in housing values and the County's population growth means an expanding revenue base. Additionally with the increase in the number of new businesses in the County, the overall revenue stream from residential and commercial sources should continue to rise.

Although the County has experienced growth in key economic development factors, the County maintains a conservative approach to spending while maximizing its local revenues. Current economic indicators show that the current economy should remain at its current pace. Given these conditions and the upgrade and expansion of the retail base in the County, we anticipate over the next year a moderate increase in sales tax revenue. However, the County will continue to review alternative methods of intergovernmental funding, since the State of Ohio's fiscal condition continues to remain uncertain and the County's portion of state-based program revenue will be affected by the fiscal year 2008 State budget bill.

Recent expenditures related to major capital improvements and economic development and an increase in revenue from property taxes, charges for services, and investment earnings has maintained the General Fund balance. The County had maintained its Budget Stabilization fund to safeguard against future economic factors. The \$18.9 million unreserved fund balance on the modified accrual basis of accounting at December 31, 2006 represents 31.7% of 2006 General Fund expenditures and other financing uses.

All of these factors were considered in the preparation of the County's 2006 budget. In conjunction with current economic factors, the County has increased its 2007 budget for the County to continue providing public safety services, to continue improving its technology, and for the economic development of the County.

**Requests for Information**

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

**Clermont County, Ohio**  
*Statement of Net Assets*  
*December 31, 2006*

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 62,785,015	\$ 6,741,811	\$ 69,526,826	\$ 14,281,085
Cash and Cash Equivalents in Segregated Accounts	0	3,655,061	3,655,061	317,521
Cash and Cash Equivalents with Fiscal & Escrow Agent	4,765	0	4,765	0
Investments in Segregated Accounts	0	49,316,100	49,316,100	0
Accounts Receivable	578,572	4,184,487	4,763,059	822,638
Accrued Interest Receivable	901,802	0	901,802	0
Intergovernmental Receivable	8,633,037	0	8,633,037	8,008,696
Taxes Receivable	24,804,990	0	24,804,990	9,025,411
Due from Component Unit	1,547,093	0	1,547,093	0
Internal Balances	(86,353)	86,353	0	0
Prepaid Items	128,795	0	128,795	12,543
Inventory of Supplies at Cost	0	347,475	347,475	4,920
Restricted Assets:				
Cash and Cash Equivalents in Segregated Accounts	0	3,110,150	3,110,150	40,087
Investments in Segregated Accounts	0	6,910,143	6,910,143	0
Retainage Accounts	0	1,369,309	1,369,309	0
Accrued Interest	0	600,692	600,692	0
Grants Receivable	0	1,912,242	1,912,242	0
Loans Receivable	73,014	4,120,300	4,193,314	0
Unamortized Financing Costs	0	2,405,367	2,405,367	0
Special Assessments Receivable	13,669,555	0	13,669,555	0
Other Non-Current Receivables	0	313,626	313,626	0
Land Held for Resale	5,679,125	0	5,679,125	1,547,093
Land and Construction in Progress	13,645,724	49,738,003	63,383,727	458,517
Depreciable Capital Assets, Net	<u>135,488,373</u>	<u>211,609,478</u>	<u>347,097,851</u>	<u>5,552,904</u>
<i>Total Assets</i>	<u>267,853,507</u>	<u>346,420,597</u>	<u>614,274,104</u>	<u>40,071,415</u>
<b>Liabilities</b>				
Accounts Payable	4,247,390	4,716,223	8,963,613	452,156
Contracts Payable	786,113	0	786,113	0
Accrued Wages and Benefits	1,686,587	586,667	2,273,254	308,747
Matured Compensated Absences Payable	10,664	0	10,664	0
Intergovernmental Payable	328,866	0	328,866	208,332
Due to Primary Government	0	0	0	1,547,093
Unearned Revenue	20,312,462	0	20,312,462	8,502,268
Matured Interest Payable	8,863	0	8,863	0
Accrued Interest Payable	108,240	0	108,240	556
Maintenance Bond Payable	0	148,410	148,410	0
Claims Payable	489,591	0	489,591	0
Current portion of Long-Term Debt	0	607,333	607,333	0
Payable from Restricted Assets:				
Accrued Interest Payable	0	1,173,094	1,173,094	0
Retainage Payable	0	1,369,309	1,369,309	0
Current Portion of Long-Term Debt	0	3,796,435	3,796,435	0
Long-Term Liabilities:				
Due Within One Year	6,822,325	0	6,822,325	419,097
Due In More Than One Year	<u>27,827,141</u>	<u>69,875,663</u>	<u>97,702,804</u>	<u>909,678</u>
<i>Total Liabilities</i>	<u>62,628,242</u>	<u>82,273,134</u>	<u>144,901,376</u>	<u>12,347,927</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt (See Note E)	124,560,778	189,473,417	314,034,195	5,475,023
Restricted for:				
Capital Projects	15,824,923	0	15,824,923	1,099,507
Debt Service	8,469,962	9,447,891	17,917,853	324
Public Works	6,867,048	0	6,867,048	0
Real Estate Assessment	3,773,089	0	3,773,089	0
Judicial	2,141,828	0	2,141,828	0
Grants	9,313,675	0	9,313,675	327,451
Component Unit	0	0	0	375,978
Unrestricted	<u>34,273,962</u>	<u>65,226,155</u>	<u>99,500,117</u>	<u>20,445,205</u>
<i>Total Net Assets</i>	<u>\$ 205,225,265</u>	<u>\$ 264,147,463</u>	<u>\$ 469,372,728</u>	<u>\$ 27,723,488</u>

See accompanying notes to the basic financial statements

Clermont County, Ohio  
Statement of Activities  
For the Year Ended December 31, 2006

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Units
<b>Primary Government</b>								
Governmental Activities								
General Government								
Legislative and Executive	\$ 20,523,819	\$ 11,492,082	\$ 401,950	\$ 0	\$ (8,629,787)	\$ 0	\$ (8,629,787)	\$ 0
Judicial	10,207,694	3,627,500	324,546	0	(6,255,648)	0	(6,255,648)	0
Public Safety	26,776,170	4,143,176	2,157,799	0	(20,475,195)	0	(20,475,195)	0
Public Works	10,029,854	612,467	5,392,714	3,475,133	(549,540)	0	(549,540)	0
Health	938,943	690,248	14,033	0	(234,662)	0	(234,662)	0
Human Services	36,166,303	2,512,327	24,225,597	0	(9,428,379)	0	(9,428,379)	0
Community Development	2,070,800	86,085	0	3,042,910	1,058,195	0	1,058,195	0
Economic Development	926,510	1,182,951	1,022	0	257,463	0	257,463	0
Transportation	2,193,540	1,502,818	1,079,257	0	388,535	0	388,535	0
Interest and Fiscal Charges	1,298,080	0	0	0	(1,298,080)	0	(1,298,080)	0
<b>Total Governmental Activities</b>	<b>111,131,713</b>	<b>25,849,654</b>	<b>33,596,918</b>	<b>6,518,043</b>	<b>(45,167,098)</b>	<b>0</b>	<b>(45,167,098)</b>	<b>0</b>
Business-Type Activities								
Water	11,673,731	11,135,109	0	3,146,032	0	2,607,410	2,607,410	0
Sewer	15,828,213	13,560,374	0	9,204,505	0	6,936,666	6,936,666	0
<b>Total Business-Type Activities</b>	<b>27,501,944</b>	<b>24,695,483</b>	<b>0</b>	<b>12,350,537</b>	<b>0</b>	<b>9,544,076</b>	<b>9,544,076</b>	<b>0</b>
<b>Total Primary Government</b>	<b>\$ 138,633,657</b>	<b>\$ 50,545,137</b>	<b>\$ 33,596,918</b>	<b>\$ 18,868,580</b>	<b>(45,167,098)</b>	<b>9,544,076</b>	<b>(35,623,022)</b>	<b>0</b>
<b>Component Units</b>								
MRDD	\$ 14,216,608	\$ 3,194,837	\$ 4,075,382	\$ 41,544				\$ (6,904,845)
MHRB	12,239,878	491,005	12,068,063	0				319,190
CIC	27,777	4,000	0	0				(23,777)
<b>Total Component Units</b>	<b>\$ 26,484,263</b>	<b>\$ 3,689,842</b>	<b>\$ 16,143,445</b>	<b>\$ 41,544</b>				<b>(6,609,432)</b>
<b>General Revenues</b>								
Property Taxes Levied for:								
General Purposes					8,175,916	0	8,175,916	0
Social Services					6,247,859	0	6,247,859	0
MRDD					0	0	0	6,462,353
MHRB					0	0	0	1,644,174
Capital Outlay					3,885,926	0	3,885,926	0
Lodging Tax					494,703	0	494,703	0
Sales Tax					23,125,953	0	23,125,953	0
Grants not Restricted to Specific Programs					6,158,505	0	6,158,505	2,077,101
Investment Earnings					4,842,197	3,020,287	7,862,484	8,074
Other Revenue					138,597	303,461	442,058	0
<b>Transfers (See Note Q)</b>					<b>(671,872)</b>	<b>671,872</b>	<b>0</b>	<b>0</b>
<b>Total General Revenues and Transfers</b>					<b>52,397,784</b>	<b>3,995,620</b>	<b>56,393,404</b>	<b>10,191,702</b>
Change in Net Assets					7,230,686	13,539,696	20,770,382	3,582,270
<b>Restated Net Assets Beginning of Year</b>					<b>197,994,579</b>	<b>250,607,767</b>	<b>448,602,346</b>	<b>24,141,218</b>
<b>Net Assets End of Year</b>					<b>\$ 205,225,265</b>	<b>\$ 264,147,463</b>	<b>\$ 469,372,728</b>	<b>\$ 27,723,488</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Balance Sheet*  
*Governmental Funds*  
*December 31, 2006*

	General	Social Services	MV&G	Special Assessment Debt Service	County Capital Improvement
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 19,408,177	\$ 5,959,507	\$ 3,657,285	\$ 283,319	\$ 5,106,503
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	2,786	0
Receivables:					
Taxes	8,600,293	8,618,644	224,393	0	4,178,989
Sales Taxes	3,182,671	0	0	0	0
Accounts	87,407	74,190	8,508	0	0
Special Assessments	0	0	0	9,735,574	0
Accrued Interest	867,066	0	32,438	0	0
Due from Component Unit	1,547,093	0	0	0	0
Interfund	1,374,008	0	0	0	0
Intergovernmental	2,020,916	492,879	4,530,392	0	189,708
Prepaid Items	88,618	2,427	1,744	0	0
Loans Receivable	0	0	0	0	0
<b>Total Assets</b>	<b>\$ 37,176,249</b>	<b>\$ 15,147,647</b>	<b>\$ 8,454,760</b>	<b>\$ 10,021,679</b>	<b>\$ 9,475,200</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 748,068	\$ 1,991,355	\$ 490,795	\$ 0	\$ 0
Contracts Payable	0	0	0	0	82,214
Accrued Wages and Benefits	1,073,000	319,111	114,604	0	0
Compensated Absences Payable	7,827	2,837	0	0	0
Intergovernmental Payable	219,701	62,812	17,029	0	0
Interfund Payable	0	500,000	0	95,671	0
Deferred Revenue	14,243,827	9,100,191	3,428,124	9,734,209	4,361,637
Matured Interest Payable	0	0	0	8,863	0
<b>Total Liabilities</b>	<b>16,292,423</b>	<b>11,976,306</b>	<b>4,050,552</b>	<b>9,838,743</b>	<b>4,443,851</b>
<b>Fund Balances</b>					
Reserved for Encumbrances	539,993	327,822	1,836,061	0	259,496
Reserved for Loans	0	0	0	0	0
Reserved for Advances	1,364,690	0	0	0	0
Reserved for Prepaid items	88,618	2,427	1,744	0	0
Unreserved:					
Designated for Budget Stabilization	2,300,000	0	0	0	0
Undesignated, Reported in:					
General Fund	16,590,525	0	0	0	0
Special Revenue Funds	0	2,841,092	2,566,403	0	0
Debt Service Funds	0	0	0	182,936	0
Capital Projects Funds	0	0	0	0	4,771,853
<b>Total Fund Balances</b>	<b>20,883,826</b>	<b>3,171,341</b>	<b>4,404,208</b>	<b>182,936</b>	<b>5,031,349</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 37,176,249</b>	<b>\$ 15,147,647</b>	<b>\$ 8,454,760</b>	<b>\$ 10,021,679</b>	<b>\$ 9,475,200</b>

See accompanying notes to the basic financial statements



**Clermont County, Ohio**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Assets of Governmental Activities  
 December 31, 2006*

Other Governmental Funds	Total Governmental Funds		
		<b>Total Governmental Fund Balances</b>	\$ 55,382,588
		<b>Amounts reported for governmental activities in the statement of net assets are different because</b>	
\$ 23,399,507 1,979 0 0 79,637 3,933,981 2,298 0 0 1,399,142 30,931 73,014 <hr style="border: 0.5px solid black;"/> \$ 28,920,489	\$ 57,814,298 4,765 21,622,319 3,182,671 249,742 13,669,555 901,802 1,547,093 1,374,008 8,633,037 123,720 73,014 <hr style="border: 0.5px solid black;"/> \$ 109,196,024	Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	154,753,303
		Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
		Special Assessments	13,667,324
		Investment Earnings	538,510
		Intergovernmental Revenues	6,587,032
		Property Taxes	1,052,215
		Sales Tax	1,895,905
		Charges for Services	20,433
		Proceeds from the Sale of Capital Assets	1,547,093
		Total	25,308,512
\$ 698,340 703,899 164,603 0 27,043 864,690 4,752,986 0 <hr style="border: 0.5px solid black;"/> 7,211,561	\$ 3,928,558 786,113 1,671,318 10,664 326,585 1,460,361 45,620,974 8,863 <hr style="border: 0.5px solid black;"/> 53,813,436	Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.	(21,815,000) (6,997,000) (1,228,319) (108,240) (4,572,788) <hr style="border: 0.5px solid black;"/> (34,721,347)
		Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	4,502,209
3,012,826 73,014 0 30,931 0 0 9,619,661 194,942 8,777,554 <hr style="border: 0.5px solid black;"/> 21,708,928 <hr style="border: 0.5px solid black;"/> \$ 28,920,489	5,976,198 73,014 1,364,690 123,720 2,300,000 16,590,525 15,027,156 377,878 13,549,407 <hr style="border: 0.5px solid black;"/> 55,382,588 <hr style="border: 0.5px solid black;"/> \$ 109,196,024	<b>Net Assets of Governmental Activities</b>	<hr style="border: 0.5px solid black;"/> <b>\$ 205,225,265</b>

**Clermont County, Ohio**

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

*Governmental Funds*

*For the Year Ended December 31, 2006*

	General	Social Services	MV & G	Special Assessment Debt Service	County Capital Improvement
<b>Revenues</b>					
Property and Other Taxes	\$ 28,924,948	\$ 6,219,446	\$ 2,302,862	\$ 0	\$ 3,854,665
Charges for Services	12,393,356	928,681	251,682	0	1,193
Licenses and Permits	1,294,805	47,427	26,982	0	0
Fines and Forfeitures	1,314,974	0	183,122	0	0
Intergovernmental	4,633,658	25,376,975	8,507,489	0	738,783
Special Assessments	0	0	21,864	773,620	0
Investment Earnings	4,260,816	0	167,850	2,778	0
Net Increase in Fair Value of Investments	260,798	0	9,757	0	0
Other	1,436,322	178,771	1,132,426	0	449,795
<i>Total Revenues</i>	<u>54,519,677</u>	<u>32,751,300</u>	<u>12,604,034</u>	<u>776,398</u>	<u>5,044,436</u>
<b>Expenditures</b>					
Current:					
General Government					
Legislative and Executive	15,320,506	0	0	0	0
Judicial	8,520,496	0	0	0	0
Public Safety	21,037,827	0	0	0	0
Public Works	0	0	11,872,322	0	0
Health	244,383	0	0	0	0
Human Services	1,162,812	35,036,326	0	0	0
Community Development	311,152	0	0	0	0
Economic Development	8,986,345	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	0	0	0	0	610,100
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	521,000	0
Interest and Fiscal Charges	0	0	0	314,703	0
<i>Total Expenditures</i>	<u>55,583,521</u>	<u>35,036,326</u>	<u>11,872,322</u>	<u>835,703</u>	<u>610,100</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,063,844)</u>	<u>(2,285,026)</u>	<u>731,712</u>	<u>(59,305)</u>	<u>4,434,336</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	50,165	893,746	0	1,328	272,450
Transfers Out	(3,958,137)	0	(67,941)	0	(3,663,735)
Proceeds from the Sale of Capital Assets	1,020,429	8	0	0	0
Proceeds of OPWC Loans Issued	0	0	1,001,305	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Other Financing (Uses) - Discount	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>(2,887,543)</u>	<u>893,754</u>	<u>933,364</u>	<u>1,328</u>	<u>(3,391,285)</u>
Net Change in Fund Balances	(3,951,387)	(1,391,272)	1,665,076	(57,977)	1,043,051
Fund Balances at Beginning of Year	<u>24,835,213</u>	<u>4,562,613</u>	<u>2,739,132</u>	<u>240,913</u>	<u>3,988,298</u>
Fund Balances End of Year	<u>\$ 20,883,826</u>	<u>\$ 3,171,341</u>	<u>\$ 4,404,208</u>	<u>\$ 182,936</u>	<u>\$ 5,031,349</u>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2006*

Other Governmental Funds	Total Governmental Funds		
		<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (4,435,499)</b>
		<b>Amounts reported for governmental activities in the statement of activities are different because</b>	
\$ 494,703	\$ 41,796,624	Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
5,634,052	19,208,964	Capital asset additions	20,857,343
299,864	1,669,078	Depreciation expense	<u>(8,159,627)</u>
219,700	1,717,796	Excess of capital outlay over depreciations	12,697,716
8,462,468	47,719,373	In the statement of activities, the loss on the disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on the disposal of capital assets.	(57,867)
447,031	1,242,515	A due from component unit is established for proceeds of capital assets for the repayment of land transferred to the Community Improvement Corporation. The repayment is reflected for governmental funds and is not reflected on the statement of activities.	(1,020,540)
51,736	4,483,180	Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Similarly, certain licenses and other revenues that do not provide current financial resources are not reported as revenues in the fund.	
691	271,246	Taxes	133,733
574,951	3,772,265	Intergovernmental revenue	(2,513,087)
16,185,196	121,881,041	Special Assessments	(153,468)
		Charges for services	(80,601)
		Investment earnings	87,771
		All other revenue	(1,493,041)
		Total revenue	(4,018,693)
3,767,233	19,087,739	The issuance of long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds.	
1,169,729	9,690,225	Neither transaction, however, has any effect on net assets.	
4,243,447	25,281,274	Repayment of Bond Principal	4,123,941
395,112	12,267,434	Proceeds from sale of Bonds	(1,681,305)
668,382	912,765	In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.	24,925
0	36,199,138	Some expenses reported in the statement of activities do not require as expenditures in governmental funds.	
87,724	398,876	Compensated Absences Payable	(104,424)
0	8,986,345	The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities.	<u>1,702,432</u>
2,127,801	2,127,801	<i>Change in Net Assets of Governmental Activities</i>	<u>\$ 7,230,686</u>
6,100,560	6,710,660		
1,296,354	1,296,354		
3,602,941	4,123,941		
1,001,502	1,316,205		
24,460,785	128,398,757		
(8,275,589)	(6,517,716)		
6,582,661	7,800,350		
(723,365)	(8,413,178)		
103	1,020,540		
0	1,001,305		
680,000	680,000		
(6,800)	(6,800)		
6,532,599	2,082,217		
(1,742,990)	(4,435,499)		
23,451,918	59,818,087		
\$ 21,708,928	\$ 55,382,588		

**Clermont County, Ohio**  
*Statement of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**General Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Taxes	\$ 29,405,200	\$ 29,405,200	\$ 29,028,092	\$ (377,108)
Charges for services	11,881,968	11,922,239	11,981,288	59,049
Licenses and permits	1,361,800	1,361,800	1,295,016	(66,784)
Fines and forfeitures	1,466,000	1,466,000	1,315,082	(150,918)
Intergovernmental	4,222,519	4,222,519	4,694,227	471,708
Investment earnings	3,285,523	3,285,523	4,155,904	870,381
Other revenues	905,457	918,468	1,940,778	1,022,310
<b>Total revenues</b>	<b>52,528,467</b>	<b>52,581,749</b>	<b>54,410,387</b>	<b>1,828,638</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government				
Legislative and executive	16,279,901	16,169,202	15,547,785	621,417
Judicial	8,776,266	8,895,681	8,679,021	216,660
Public safety	22,776,675	22,686,669	21,628,604	1,058,065
Health	506,350	364,351	349,542	14,809
Human services	1,165,624	1,164,124	1,157,589	6,535
Community development	381,165	341,966	315,211	26,755
Economic development	8,749,539	9,069,626	9,031,167	38,459
<b>Total expenditures</b>	<b>58,635,520</b>	<b>58,691,619</b>	<b>56,708,919</b>	<b>1,982,700</b>
(Deficiency) of revenues (under) expenditures	(6,107,053)	(6,109,870)	(2,298,532)	3,811,338
<b>Other financing sources (uses):</b>				
Operating transfers in	0	0	50,165	50,165
Operating transfers (out)	(5,060,001)	(5,048,833)	(4,085,439)	963,394
Advances in	400,000	400,000	155,155	(244,845)
Advances (out)	(420,000)	(420,000)	(393,718)	26,282
Proceeds from the sale of capital assets	2,045,500	2,045,500	1,020,429	(1,025,071)
<b>Total other financing sources (uses)</b>	<b>(3,034,501)</b>	<b>(3,023,333)</b>	<b>(3,253,408)</b>	<b>(230,075)</b>
<b>Net Change in Fund Balance</b>	<b>(9,141,554)</b>	<b>(9,133,203)</b>	<b>(5,551,940)</b>	<b>3,581,263</b>
Fund balance at beginning of year	15,134,846	15,134,846	15,134,846	0
Prior year encumbrances appropriated	9,247,514	9,247,514	9,247,514	0
<b>Fund balance at end of year</b>	<b>\$ 15,240,806</b>	<b>\$ 15,249,157</b>	<b>\$ 18,830,420</b>	<b>\$ 3,581,263</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Statement of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**Social Services - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Taxes	\$ 6,240,880	\$ 6,240,880	\$ 6,216,687	\$ (24,193)
Charges for services	930,350	930,350	931,922	1,572
Licenses and permits	56,000	56,000	47,427	(8,573)
Intergovernmental	24,587,296	24,987,296	24,260,460	(726,836)
Other revenues	<u>5,702,940</u>	<u>6,639,641</u>	<u>6,455,004</u>	<u>(184,637)</u>
Total revenues	<u>37,517,466</u>	<u>38,854,167</u>	<u>37,911,500</u>	<u>(942,667)</u>
<b>Expenditures:</b>				
Current:				
Human services	<u>39,498,095</u>	<u>45,202,431</u>	<u>42,642,978</u>	<u>2,559,453</u>
(Deficiency) of revenues (under) expenditures	<u>(1,980,629)</u>	<u>(6,348,264)</u>	<u>(4,731,478)</u>	<u>1,616,786</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	1,171,620	524,229	893,745	369,516
Proceeds from sale of capital assets	<u>1,000</u>	<u>1,000</u>	<u>8</u>	<u>(992)</u>
Total other financing sources (uses)	<u>1,172,620</u>	<u>525,229</u>	<u>893,753</u>	<u>368,524</u>
Net change in fund balance	(808,009)	(5,823,035)	(3,837,725)	1,985,310
Fund balance at beginning of year	6,770,723	6,770,723	6,770,723	0
Prior year encumbrances appropriated	<u>796,182</u>	<u>796,182</u>	<u>796,182</u>	<u>0</u>
Fund balance at end of year	<u>\$ 6,758,896</u>	<u>\$ 1,743,870</u>	<u>\$ 3,729,180</u>	<u>\$ 1,985,310</u>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Statement of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**Motor Vehicle and Gas Tax - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Taxes	\$ 2,125,000	\$ 2,125,000	\$ 2,299,456	\$ 174,456
Charges for services	260,200	260,200	263,820	3,620
Licenses and permits	43,000	43,000	32,730	(10,270)
Fines and forfeitures	190,000	190,000	183,279	(6,721)
Intergovernmental	6,765,000	8,549,783	7,756,361	(793,422)
Special assessments	20,000	20,000	21,864	1,864
Investment earnings	90,000	90,000	158,085	68,085
Other revenues	40,200	1,081,170	1,272,327	191,157
<b>Total revenues</b>	<b>9,533,400</b>	<b>12,359,153</b>	<b>11,987,922</b>	<b>(371,231)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
Public works	11,693,129	14,869,356	14,466,456	402,900
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(2,159,729)</b>	<b>(2,510,203)</b>	<b>(2,478,534)</b>	<b>31,669</b>
<b>Other financing sources(uses):</b>				
Operating transfer in	1,000	1,000	0	(1,000)
Operating transfers (out)	(18,000)	(70,565)	(67,941)	2,624
Proceeds from OPWC loan	0	1,001,305	1,001,305	0
Proceeds from the sale of capital assets	5,000	5,000	0	(5,000)
<b>Total other financing sources (uses)</b>	<b>(12,000)</b>	<b>936,740</b>	<b>933,364</b>	<b>(3,376)</b>
<b>Net change in fund balance</b>	<b>(2,171,729)</b>	<b>(1,573,463)</b>	<b>(1,545,170)</b>	<b>28,293</b>
Fund balance at beginning of year	1,431,004	1,431,004	1,431,004	0
Prior year encumbrances appropriated	1,257,952	1,257,952	1,257,952	0
<b>Fund balance at end of year</b>	<b>\$ 517,227</b>	<b>\$ 1,115,493</b>	<b>\$ 1,143,786</b>	<b>\$ 28,293</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Statement of Fund Net Assets*  
*Proprietary Funds*  
*December 31, 2006*

	Business-Type Activities-Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Total	Activities-Internal Service Funds
<b>Assets</b>				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,408,907	\$ 3,332,904	\$ 6,741,811	\$ 4,970,717
Cash and Cash Equivalents in Segregated Accounts	1,999,472	1,655,589	3,655,061	0
Investments in Segregated Accounts	13,953,925	35,362,175	49,316,100	0
<i>Receivables:</i>				
Accounts	1,735,761	2,448,726	4,184,487	328,830
Prepaid items	0	0	0	5,075
Inventory of Supplies at Cost	265,182	82,293	347,475	0
<b>Total Current Assets</b>	<b>21,363,247</b>	<b>42,881,687</b>	<b>64,244,934</b>	<b>5,304,622</b>
<i>Noncurrent Assets:</i>				
<i>Restricted Assets:</i>				
Cash and Cash Equivalents in Segregated Accounts	1,604,659	1,505,491	3,110,150	0
Investments in Segregated Accounts	3,143,968	3,766,175	6,910,143	0
Retainage Accounts	298,711	1,070,598	1,369,309	0
Accrued Interest	180,464	420,228	600,692	0
<i>Other Noncurrent Assets:</i>				
Grants Receivable	38,711	1,873,531	1,912,242	0
Loans Receivable	0	4,120,300	4,120,300	0
Unamortized financing costs	664,378	1,740,989	2,405,367	0
Interfund receivable	0	86,353	86,353	0
Other noncurrent receivables	313,626	0	313,626	0
Capital Assets, Net	108,192,604	153,154,877	261,347,481	59,919
<b>Total Noncurrent Assets</b>	<b>114,437,121</b>	<b>167,738,542</b>	<b>282,175,663</b>	<b>59,919</b>
<b>Total Assets</b>	<b>135,800,368</b>	<b>210,620,229</b>	<b>346,420,597</b>	<b>5,364,541</b>
<b>Liabilities</b>				
<i>Current Liabilities:</i>				
Accounts Payable	1,791,539	2,924,684	4,716,223	318,832
Accrued Wages and Benefits	258,811	327,856	586,667	15,269
Maintenance Bond Payable	74,205	74,205	148,410	0
Current portion of OWDA notes payable	0	165,011	165,011	0
Current portion of OPWC loans payable	0	442,322	442,322	0
Intergovernmental Payable	0	0	0	2,281
Claims Payable	0	0	0	489,591
<b>Total Current Liabilities</b>	<b>2,124,555</b>	<b>3,934,078</b>	<b>6,058,633</b>	<b>825,973</b>
<i>Noncurrent Liabilities:</i>				
<i>Payable from Restricted Assets:</i>				
Accrued Interest Payable	582,815	590,279	1,173,094	0
Retainage Payable	298,711	1,070,598	1,369,309	0
Current Portion of Long-Term Obligations	2,096,435	1,700,000	3,796,435	0
<i>Long-Term Liabilities:</i>				
OWDA Notes Payable	0	982,892	982,892	0
OPWC Loans Payable	449,392	6,943,379	7,392,771	0
Revenue Bonds Payable	28,940,000	32,560,000	61,500,000	0
Compensated Absences Due Within One Year	0	0	0	11,631
Compensated Absences Due In More than One Year	0	0	0	24,728
<b>Total Noncurrent Liabilities</b>	<b>32,367,353</b>	<b>43,847,148</b>	<b>76,214,501</b>	<b>36,359</b>
<b>Total Liabilities</b>	<b>34,491,908</b>	<b>47,781,226</b>	<b>82,273,134</b>	<b>862,332</b>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	77,371,155	112,102,262	189,473,417	59,919
Restricted for Debt Service	4,346,276	5,101,615	9,447,891	0
Unrestricted	19,591,029	45,635,126	65,226,155	4,442,290
<b>Total Net Assets</b>	<b>\$ 101,308,460</b>	<b>\$ 162,839,003</b>	<b>\$ 264,147,463</b>	<b>\$ 4,502,209</b>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Statement of Revenues,  
Expenses and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended December 31, 2006*

	<u>Business-Type Activities-Enterprise Funds</u>			Governmental Activities-Internal Service Funds
	Water Fund	Sewer Fund	Total	
<b>Operating Revenues</b>				
Charges for Services	\$ 10,592,620	\$ 13,405,796	\$ 23,998,416	\$ 12,215,086
New meters, services and reviews	542,489	154,578	697,067	0
Other Revenues	<u>253,150</u>	<u>50,311</u>	<u>303,461</u>	<u>530,771</u>
<i>Total Operating Revenues</i>	<u>11,388,259</u>	<u>13,610,685</u>	<u>24,998,944</u>	<u>12,745,857</u>
<b>Operating Expenses</b>				
Personal Services	2,627,514	2,870,915	5,498,429	1,321,647
Materials and Supplies	1,613,267	1,140,093	2,753,360	1,308,348
Contractual Services	545,080	1,532,651	2,077,731	87,868
Maintenance and Repair	643,240	292,539	935,779	212,537
Utilities	1,212,060	1,732,258	2,944,318	547,480
Claims	0	0	0	7,467,783
Depreciation	3,495,807	6,535,506	10,031,313	16,784
Other	<u>2,027</u>	<u>0</u>	<u>2,027</u>	<u>21,934</u>
<i>Total Operating Expenses</i>	<u>10,138,995</u>	<u>14,103,962</u>	<u>24,242,957</u>	<u>10,984,381</u>
<i>Operating Income/(Loss)</i>	<u>1,249,264</u>	<u>(493,277)</u>	<u>755,987</u>	<u>1,761,476</u>
<b>Non-Operating Revenues (Expenses)</b>				
Investment Income	811,232	1,877,058	2,688,290	0
Net Increase (Decrease) in Fair Value of Investments	104,107	227,890	331,997	0
Interest and Fiscal Charges	<u>(1,534,736)</u>	<u>(1,724,251)</u>	<u>(3,258,987)</u>	<u>0</u>
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(619,397)</u>	<u>380,697</u>	<u>(238,700)</u>	<u>0</u>
<i>Income (Loss) Before Contributions and Transfers</i>	629,867	(112,580)	517,287	1,761,476
Capital Contributions	3,146,032	9,204,505	12,350,537	0
Transfers In	636,224	36,976	673,200	30,956
Transfers Out	<u>(664)</u>	<u>(664)</u>	<u>(1,328)</u>	<u>(90,000)</u>
<i>Change in Net Assets</i>	4,411,459	9,128,237	13,539,696	1,702,432
<i>Net Assets Beginning of Year</i>	<u>96,897,001</u>	<u>153,710,766</u>	<u>250,607,767</u>	<u>2,799,777</u>
<i>Net Assets End of Year</i>	<u>\$ 101,308,460</u>	<u>\$ 162,839,003</u>	<u>\$ 264,147,463</u>	<u>\$ 4,502,209</u>

See accompanying notes to the basic financial statements



**Clermont County, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
*For the Year Ended December 31, 2006*

	Business-Type Activities-Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Total	Activities- Internal Service Funds
<b>Cash Flows From Operating Activities:</b>				
Receipts from Customers and Users	\$ 11,087,970	\$ 14,032,256	\$ 25,120,226	\$ 0
Cash received from Interfund Services Provided	0	0	0	12,172,931
Payments to Suppliers	(4,102,225)	(4,701,034)	(8,803,259)	(2,126,851)
Payments to Employees	(2,603,469)	(2,838,886)	(5,442,355)	(494,975)
Claims	0	0	0	(7,817,045)
Payments for Interfund Services Provided	0	0	0	(813,559)
Other Receipts	253,150	50,311	303,461	523,346
<i>Net Cash Provided by Operating Activities</i>	<u>4,635,426</u>	<u>6,542,647</u>	<u>11,178,073</u>	<u>1,443,847</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfer to Other Funds	0	0	0	(59,044)
<i>Net Cash (Used for) Noncapital and Related Financing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(59,044)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>				
Principal and Interest Paid on Long-Term Debt	(3,490,338)	(3,586,154)	(7,076,492)	0
Construction/Acquisition of Capital Assets	(4,282,724)	(18,833,224)	(23,115,948)	0
Retainage Receipts	123,764	988,038	1,111,802	0
Retainage Payments	(284,595)	(70,260)	(354,855)	0
Maintenance Bond Receipts	36,025	36,025	72,050	0
Maintenance Bond Payments	(12,360)	(12,360)	(24,720)	0
Proceeds from Assessments	116,165	27,176	143,341	0
Cash Contributions from Developers	0	83,524	83,524	0
System Capacity Charges	1,528,292	2,082,230	3,610,522	0
Proceeds from Capital Related Interfund Receivables	36,830	71,573	108,403	0
Proceeds from Capital Grants	0	278,364	278,364	0
Advances to Other Funds, related to capital	0	(42,263)	(42,263)	0
Transfers in from Other Funds, related to capital	635,560	36,312	671,872	0
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>(5,593,381)</u>	<u>(18,941,019)</u>	<u>(24,534,400)</u>	<u>0</u>
<b>Cash Flows From Investing Activities:</b>				
Investment Purchases	(12,565,040)	(27,080,119)	(39,645,159)	0
Investment Sales	13,470,323	40,277,118	53,747,441	0
Interest Received on Investments	698,105	1,749,905	2,448,010	0
<i>Net Cash Provided by Investing Activities</i>	<u>1,603,388</u>	<u>14,946,904</u>	<u>16,550,292</u>	<u>0</u>
<i>Net Increase in Cash and Cash Equivalents</i>	<u>645,433</u>	<u>2,548,532</u>	<u>3,193,965</u>	<u>1,384,803</u>
<i>Cash and Cash Equivalents January 1(including \$1,131,331 and \$889,380 for the Water and Sewer Funds, respectively held in restricted accounts)</i>	<u>6,666,316</u>	<u>5,016,050</u>	<u>11,682,366</u>	<u>3,585,914</u>
<i>Cash and Cash Equivalents December 31(including \$1,903,370 and \$2,576,089 for the Water and Sewer Funds, respectively held in restricted accounts)</i>	<u>\$ 7,311,749</u>	<u>\$ 7,564,582</u>	<u>\$ 14,876,331</u>	<u>\$ 4,970,717</u>

Continued

**Clermont County, Ohio**  
*Statement of Cash Flows*  
*Proprietary Funds*  
*For the Year Ended December 31, 2006-Continued*

	<u>Business-Type Activities-Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>				
Operating Income (Loss)	\$ 1,249,264	\$ (493,277)	\$ 755,987	\$ 1,761,476
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	3,495,807	6,535,506	10,031,313	16,784
Change in Assets and Liabilities				
(Increase) Decrease in Accounts Receivable	(47,139)	471,882	424,743	(49,580)
(Increase) in Prepaid Items	0	0	0	(205)
(Increase) Decrease in Inventory	(51,060)	20,329	(30,731)	0
Increase (Decrease) in Accounts Payable	(35,491)	(23,822)	(59,313)	51,520
Increase (Decrease) in Accrued Wages and Related Expense	24,045	32,029	56,074	2,972
Increase in Claims Payable	0	0	0	(349,262)
(Decrease) in Intergovernmental Payable	0	0	0	450
(Decrease) in Compensated Absences	0	0	0	9,692
<i>Net Cash Provided by Operating Activities</i>	<u>\$ 4,635,426</u>	<u>\$ 6,542,647</u>	<u>\$ 11,178,073</u>	<u>\$ 1,443,847</u>
<b>Non-Cash Transactions:</b>				
Contributions	\$ 1,517,864	\$ 5,215,193	\$ 6,733,057	\$ 0
OPWC loans receivable	0	1,833,700	1,833,700	0
Net Increase in the Fair Value of Investments	104,107	227,890	331,997	0
<i>Total Non-Cash Transactions</i>	<u>\$ 1,621,971</u>	<u>\$ 7,276,783</u>	<u>\$ 8,898,754</u>	<u>\$ 0</u>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Statement of Fiduciary Assets and Liabilities*  
*Fiduciary Funds*  
*December 31, 2006*

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	<u>Agency</u>
<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$ 12,769,416
Cash and Cash Equivalents in Segregated Accounts	804,923
Cash with Fiscal and Escrow Agents	250,564
Taxes Receivable	206,247,085
Intergovernmental Receivable	<u>763,820</u>
<i>Total Assets</i>	<u>\$ 220,835,808</u>
<b>Liabilities</b>	
Intergovernmental Payable	\$ 216,344,892
Other Liabilities	<u>4,490,916</u>
<i>Total Liabilities</i>	<u>\$ 220,835,808</u>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Statement of Net Assets*  
*Component Units*  
*December 31, 2006*

	MRDD	Mental Health Board	CIC	Component Unit Total
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 8,124,069	\$ 6,157,016	\$ 0	\$ 14,281,085
Cash and Cash Equivalents in Segregated Accounts	314,306	0	3,215	317,521
Receivables:				
Accounts	667,585	155,053	0	822,638
Intergovernmental	1,394,797	6,613,899	0	8,008,696
Taxes	6,950,930	2,074,481	0	9,025,411
Prepaid Items	10,920	1,167	456	12,543
Inventory of supplies at cost	4,920	0	0	4,920
Restricted Assets:				
Cash and Cash Equivalents in Segregated Accounts	40,087	0	0	40,087
Land Held for Resale	0	0	1,547,093	1,547,093
Land and Land Improvements	281,189	177,328	0	458,517
Depreciable Capital Assets, Net	3,525,879	2,027,025	0	5,552,904
<i>Total Assets</i>	<u>21,314,682</u>	<u>17,205,969</u>	<u>1,550,764</u>	<u>40,071,415</u>
<b>Liabilities</b>				
Accounts Payable	284,008	168,148	0	452,156
Accrued Wages and Benefits	289,257	19,490	0	308,747
Intergovernmental Payable	205,425	2,907	0	208,332
Due to Primary Government	0	0	1,547,093	1,547,093
Deferred Revenue	6,526,950	1,975,318	0	8,502,268
Accrued Interest Payable	0	556	0	556
Long-Term Liabilities:				0
Due Within One Year	369,687	49,410	0	419,097
Due In More Than One Year	353,703	555,975	0	909,678
<i>Total Liabilities</i>	<u>8,029,030</u>	<u>2,771,804</u>	<u>1,547,093</u>	<u>12,347,927</u>
<b>Net Assets</b>				
Invested in Capital Assets, Net of Related Debt	3,807,068	1,667,955	0	5,475,023
Restricted for:				
Capital Projects	1,099,507	0	0	1,099,507
Debt Service	0	324	0	324
Other Purposes	327,451	0	0	327,451
Clerco	375,978	0	0	375,978
Unrestricted	7,675,648	12,765,886	3,671	20,445,205
<i>Total Net Assets</i>	<u>\$ 13,285,652</u>	<u>\$ 14,434,165</u>	<u>\$ 3,671</u>	<u>\$ 27,723,488</u>

See accompanying notes to the basic financial statements

**Clermont County, Ohio**  
*Statement of Activities*  
 Component Units  
 For the Year Ended December 31, 2006

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	MRDD	MHRB	CIC	Total
<b>MRDD Component Unit</b>								
Governmental Activities								
Human Services	\$ 14,216,608	\$ 3,194,837	\$ 4,075,382	\$ 41,544	\$ (6,904,845)	\$ 0	\$ 0	\$ (6,904,845)
<b>MHRB Component Unit</b>								
Governmental Activities								
Health	12,206,052	491,005	12,068,063	0	0	353,016	0	353,016
Interest and Fiscal Charges	33,826	0	0	0	0	(33,826)	0	(33,826)
Total MHRB Component Unit	12,239,878	491,005	12,068,063	0	0	319,190	0	319,190
<b>CIC Component Unit</b>								
Business-Type Activities								
Economic Development	27,777	4,000	0	0	0	0	(23,777)	(23,777)
Total Component Units	\$ 26,484,263	\$ 3,689,842	\$ 16,143,445	\$ 41,544	(6,904,845)	319,190	(23,777)	(6,609,432)
			<b>General Revenues</b>					
			Property Taxes		6,462,353	1,644,174	0	8,106,527
			Grants not Restricted to Specific Programs		1,721,687	355,414	0	2,077,101
			Investment Earnings		0	0	8,074	8,074
			Total General Revenues		8,184,040	1,999,588	8,074	10,191,702
			Change in Net Assets		1,279,195	2,318,778	(15,703)	3,582,270
			Net Assets Beginning of Year		12,006,457	12,115,387	19,374	24,141,218
			Net Assets End of Year		\$ 13,285,652	\$ 14,434,165	\$ 3,671	\$ 27,723,488

See accompanying notes to the basic financial statements

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**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note A: Description of the County and Reporting Entity**

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

**Reporting Entity**

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

**Discretely Presented Component Units**

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

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

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

**Clermont County Community Improvement Corporation (CIC):** The CIC is responsible for advancing, encouraging, and promoting the industrial, economic, commercial, and civic development of Clermont County. The Board of County Commissioners and the County Administrator are four of the thirteen board members.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

**Clermont County Transportation Improvement District (the District):** The District provides the opportunity to finance, construct, maintain, repair, and operate roads, highways, and other transportation improvements within the County. The Clermont County Board of County Commissioners appoints the board members to the District. The District's financial activity is not material to the County as a whole and has not been included in the component units' column of the government-wide financial statements.

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

**Related Organizations:**

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

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

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

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

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

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

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

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



**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note B: Summary of Significant Accounting Policies**

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

**Basis of Presentation**

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

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service funds is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

**Fund Financial Statements**

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

**Fund Accounting**

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

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Governmental Funds**

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

**General Fund**

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

**Social Service Special Revenue Fund**

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

**Motor Vehicle and Gas Tax Fund**

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

**Special Assessment Debt Service Fund**

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

**County Capital Improvement Capital Projects Fund**

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

**Proprietary Funds**

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

**Enterprise Funds**

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

**Internal Service Funds**

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

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Fiduciary Funds**

Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Agency funds are used to report resources held by the County in a purely custodial capacity. The county only fiduciary funds are agency funds. Agency funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations, or other governments. The County maintains five Agency Funds for undivided taxes, political subdivisions, court system outside accounts and other money being held in a custodial capacity.

**Component Units**

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

**Measurement Focus**

**Government-wide Financial Statements**

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

**Fund Financial Statements**

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

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

**Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis accounting. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Revenues - Exchange and Non-Exchange Transactions**

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within thirty days of year-end.

Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes are recognized in the fiscal year for which the taxes are levied (See Note G). Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

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

**Deferred Revenue/Unearned 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.

**Expenses/Expenditures**

On the accrual basis of accounting, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

**Cash and Cash Equivalents**

Cash resources of the majority of individual funds are combined to form a pool of cash and investments which is managed by the County Treasurer. Interest earned on investments is accrued as earned and distributed to the General Fund and other qualifying funds utilizing a formula based on the average month end balance of cash and cash equivalents of all funds. During fiscal year 2006, investments were limited to treasury bills, treasury notes, federal agency notes, money market funds and STAR Ohio. Investments are reported at fair value which is based on quoted market prices. Note F provides a detailed disclosure regarding cash, cash equivalents and investments held by the County. STAROhio is an investment pool

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note B: Summary of Significant Accounting Policies (Continued)**

managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2006.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2006 amounted to \$4,260,816, which includes \$3,416,820 assigned from other County funds.

**Cash and Investments in Segregated Accounts**

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

**Cash with Fiscal Agent**

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

**Statement of Cash Flows**

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

**Cash and Investments Held by Trustee**

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

**Inventories and Prepaid Items**

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

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

**Interfund Transactions**

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

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Restricted Assets**

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

**Capital Assets**

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	10-35
Infrastructure	20-50
Vehicles	5-10
Furniture & Equipment	5-10

**Loans Receivable**

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

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

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Compensated Absences**

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

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

**Self Insurance**

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

**Accrued Liabilities and Long-term Obligations**

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligation of the funds. However, claims and judgments, compensated absences, special termination benefits and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally due for payment during the current year. Bonds that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

**Fund Balance Reserves**

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

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Net Assets**

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

**Operating Revenues and Expenses**

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

**Capital Contributions**

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

**Interfund Activity**

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

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

**Estimates**

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



**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**Note B: Summary of Significant Accounting Policies (Continued)**

**Budgets**

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

The certificate may be amended during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate in revenue needs to be either increased or decreased. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budget amounts in the budgetary statements reflect the amounts in the final amended certificate issued during 2006.

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts in the budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

**NOTE C: Budgetary Basis of Accounting**

While the County is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general and each major special revenue fund is presented in the Basic Financial Statements to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out are operating transactions (Budget) as opposed to balance sheets transactions (GAAP).
5. Reimbursements from funds responsible for particular expenditures to the funds that initially paid for them are presented for budgetary purposes and removed on the GAAP financial statements.

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

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE C: Budgetary Basis of Accounting (Continued)**

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

	<u>General</u>	<u>Social Service</u>	<u>MV &amp; G</u>
GAAP Basis	(\$3,951,387)	(\$1,391,272)	\$1,665,076
Net Adjustment for Revenue Accruals*	(214,617)	5,160,200	(616,112)
Net Adjustment for Expenditure Accruals*	127,444	(6,096,331)	(105,091)
Net Adjustment for Transfers Out	(127,302)	0	0
Net Adjustment for Advances	(238,563)	0	0
Excess of Revenue over Expenditures of Non-Budgeted Fund	(112,702)	0	0
Encumbrances	<u>(1,034,813)</u>	<u>(1,510,322)</u>	<u>(2,489,043)</u>
Budget Basis	<u><u>(\$5,551,940)</u></u>	<u><u>(\$3,837,725)</u></u>	<u><u>(\$1,545,170)</u></u>

\*The revenue accruals and expenditure accruals include \$5,973,241 in reimbursements in the Social Services Fund budgetary basis "other revenues" and "Human Services – purchased services" expenditures.

**NOTE D: Fund Deficits**

The Storm Water Fund had a deficit fund balance at December 31, 2006 of \$659,739. The deficit in this fund was due to adjustments for advances made to the Storm Water Fund from the General Fund.

**NOTE E: Restatement of Prior Year Net Assets Invested in Capital Assets, net of Related Debt**

In 2001, the County issued general obligation bonds for several projects. These projects did not begin until 2003. The debt was never included in the calculation of Net Assets Invested in Capital Assets, net of Related Debt and should have been included in 2003. In addition, a right of way land acquisition was omitted from previous statements. The issued debt and right of way had the following effect on Net Assets Invested in Capital Assets, net of Related Debt and on unrestricted net assets.

	<u>Governmental Activities</u>		<u>Governmental Activities</u>
Capital Assets, net of Related Debt at December 31, 2005	\$ 130,589,734	Previously stated Unrestricted Net Assets at December 31, 2005	\$ 8,828,795
2001 General Obligation Bonds	(13,635,000)	2001 General Obligation Bonds	13,635,000
Right of Way Land Acquisition	<u>\$ 543,100</u>		
Restated Net Assets Invested in Capital Assets, net of Related Debt at December 31, 2005	<u>\$ 117,497,834</u>	Restated Unrestricted Net Assets at December 31, 2005	<u>\$ 22,463,795</u>

**NOTE F: Deposits and Investments**

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

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

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE F: Deposits and Investments (Continued)**

Active monies are public monies determined to be necessary to meet current demand upon the County Treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to exchange either securities described in (1) or (2) above or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed twenty five percent of the County's total average portfolio;
10. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty five percent of the County's total average portfolio.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE F: Deposits and Investments (Continued)**

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At fiscal year end, the County had \$5,000 in un-deposited cash on hand which is included on the balance sheet of the County as part of "equity in pooled cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 40, "Deposits and Investments Risk Disclosures".

**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's policy for deposits is any balance not covered by depository insurance will be collateralized by the financial institutions with pledged securities. As of December 31, 2006, \$21,030,030 of the County's bank balance of \$23,745,317 including \$14,595,391 from the MRDD and MHRB component units was exposed to custodial risk because it was uninsured and collateralized with securities pledged by the depository bank with the Federal Reserve Bank in the County's name.

**Investments**

As of December 31, 2006, the County had the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Treasury Bills	\$ 10,079,262	0.47
Treasury Notes	82,815,631	2.41
Federal Agency Notes	41,994,341	4.74
Money Market Funds	6,765,211	N/A
STAR Ohio	200,000	N/A
Total Fair Value	<u>\$ 141,854,445</u>	
Portfolio Weighted Average Maturity		1.52

Interest rate risk – The County's investment policy limits its weighted average maturity of its investment portfolio to three years.

Credit Risk – It is the County's policy to limit its investments that are not obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government to investments which have a credit quality rating of the top 2 ratings issued by nationally recognized statistical rating organizations.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE F: Deposits and Investments (Continued)**

The County's investments in Federal Agencies and in the Money Market Funds were rated AAA by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. Investments in STAR Ohio were rated AAA by Standard & Poor's.

Concentration of credit risk – The County's investment policy allows investments in Federal Agencies or Instrumentalities to be limited to 20 percent of the total investments in obligations of any one issuer. The County has invested more than 5 percent of the County's investments in securities issued by the Federal Farm Credit Bank (5.7%), Federal Home Loan Bank (16.0%), the Federal Home Loan Mortgage (11.6%), and the Federal National Mortgage Association (8.9%).

**NOTE G: Receivables**

Receivables at December 31, 2006, consisted of sales taxes, special assessments, accrued interest, accounts (billings for user charged services, including unbilled utility services, and rental payments), interfund and intergovernmental receivables arising from grants, entitlements and shared revenues. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

**Property Taxes**

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2006 were based, are as follows:

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

Real property taxes collected in 2006 were levied after October 1, 2005 on the assessed values of the preceding January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in tax year 2005. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 18.75% of true value. In 2006, each eligible business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State at 40%. Real property taxes are payable annually or semi-annually. In 2006, if paid annually, payment was due by February 10, 2006. If paid semi-annually, the first payment (at least ½ of amount billed) was due February 10, 2006 with the remainder due July 7, 2006.

The County Auditor distributes portions of the taxes collected to all taxing districts with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal Property taxes in June and October for the first and second halves of the year, respectively. The County accrues billed but uncollected property taxes as receivables at their estimated net realizable value. On the modified accrual basis the delinquent taxes outstanding and available to the County within the first 30 days of 2007 were recorded as 2006 revenue, the remaining taxes receivable are offset by a credit to deferred revenue. Ohio law prohibits taxation of property from all taxing authorities in excess of 10 mills without a vote of the people. For 2006 collections, the County levied 2.10 mills of the 10 mill limit for the General Fund, and levied 1.0 mill for the County Capital Fund. In addition to the 3.10 mills, 1.90 mills have been levied for voted millage, and 3.75 has been levied as voted millage for Board of Mental Retardation and Developmental Disabilities and the Mental Health and Recovery Board.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE G: Receivables (Continued)**

A summary of voted millage follows:

	Voter Authorized	Rate Levied for	Rate Levied for Current	Final Collection
	Rate (a)	Current Yr Collection (b) Res/Agr	Yr Collection (b) Other	
Senior Citizens	1.10	1.00	1.00	2006
Children Services	0.80	0.80	0.80	2006
County Entities	1.90	1.80	1.80	
MRDD (Component Unit)	2.50	0.77	1.10	Continuing
MRDD (Component Unit)	0.75	0.75	0.75	2008
MHRB (Component Unit)	0.50	0.50	0.50	2006
Component Units	3.75	2.02	2.35	

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

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

**Permissive Sales and Use Tax**

The County is currently collecting 1% on retail sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-fifth day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

**Intergovernmental**

A summary of the items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$ 987,090
Local Government Revenue Assistance	373,311
Homestead and Rollback	986,140
Motor Vehicle License Tax	2,182,614
Motor Vehicle Gas Tax	1,066,138
Public Defender Assistance	167,041
OPWC Grants	346,570
Community Development Block Grants	167,329
Highway Planning & Construction Grants	935,070
Drug Prevention Grants	28,906
Juvenile Grants	19,353
Miscellaneous Judicial Grants	84,003
DUI Court Grants	55,420
Municipal Court Adult Probation Grants	75,258
Common Pleas Adult Probation Grants	97,379
Reclaim Ohio Grant	786,985
Recycle Ohio Grant	13,071
TASC Grant	156,450
Hazard Mitigation Grants	10,075
Public Assistance Grants	94,834
Total Governmental Activities	<u>\$ 8,633,037</u>

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE H: Capital Assets**

Primary Government capital asset activity for the year ended December 31, 2006, was as follows:

	Restated Balance <u>12/31/2005</u>	Additions	Reductions	Balance <u>12/31/2006</u>
<b>Governmental Activities</b>				
Capital Assets not being depreciated:				
Land	\$ 4,712,553	\$ 186,120	\$ (25,131)	\$ 4,873,542
Construction in Progress	<u>15,543,723</u>	<u>9,102,894</u>	<u>(15,874,435)</u>	<u>8,772,182</u>
Total Capital Assets at Historical Cost not being depreciated	<u>20,256,276</u>	<u>9,289,014</u>	<u>(15,899,566)</u>	<u>13,645,724</u>
Capital Assets being depreciated:				
Building and Improvements	59,923,530	11,990,488	(2,614)	71,911,404
Furniture, Fixtures, and Equipment	37,116,827	1,461,741	(29,852)	38,548,716
Infrastructure	<u>127,795,772</u>	<u>5,769,305</u>	<u>(224,510)</u>	<u>133,340,567</u>
Total Capital Assets at Historical cost being depreciated	<u>224,836,129</u>	<u>19,221,534</u>	<u>(256,976)</u>	<u>243,800,687</u>
Less Accumulated Depreciation:				
Building and Improvements	(15,098,963)	(1,742,585)	0	(16,841,548)
Furniture, Fixtures, and Equipment	(20,158,230)	(2,826,807)	29,852	(22,955,185)
Infrastructure	<u>(65,077,423)</u>	<u>(3,607,019)</u>	<u>168,861</u>	<u>(68,515,581)</u>
Total Accumulated Depreciation	<u>(100,334,616)</u>	<u>(8,176,411)</u>	<u>198,713</u>	<u>(108,312,314)</u>
Total Capital Assets, being depreciated, net	<u>124,501,513</u>	<u>11,045,123</u>	<u>(58,263)</u>	<u>135,488,373</u>
Governmental Activities Capital Assets, Net	<u>\$ 144,757,789</u>	<u>\$ 20,334,137</u>	<u>\$ (15,957,829)</u>	<u>\$ 149,134,097</u>
	Balance <u>12/31/2005</u>	Additions	Reductions	Balance <u>12/31/2006</u>
<b>Business-Type Activities</b>				
Capital Assets not being depreciated:				
Land	\$ 5,010,927	\$ 342,497	\$ 0	\$ 5,353,424
Construction in Progress	<u>32,361,637</u>	<u>25,462,719</u>	<u>(13,439,777)</u>	<u>44,384,579</u>
Total Capital Assets at Historical Cost not being depreciated	<u>37,372,564</u>	<u>25,805,216</u>	<u>(13,439,777)</u>	<u>49,738,003</u>
Capital Assets being depreciated:				
Structures	147,079,249	5,967,107	0	153,046,356
Machinery and Equipment	17,963,691	2,121,644	0	20,085,335
Distributions Systems	80,174,717	4,521,009	0	84,695,726
Collections Systems	119,019,046	6,978,194	0	125,997,240
Autos and Trucks	<u>2,210,223</u>	<u>123,847</u>	<u>0</u>	<u>2,334,070</u>
Total Capital Assets at Historical cost being depreciated	<u>366,446,926</u>	<u>19,711,801</u>	<u>0</u>	<u>386,158,727</u>

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE H: Capital Assets (Continued)**

	Balance 12/31/2005	Additions	Reductions	Balance 12/31/2006
Less Accumulated Depreciation:				
Structures	(78,792,064)	(4,948,417)	0	(83,740,481)
Machinery and Equipment	(13,992,021)	(599,970)	0	(14,591,991)
Distributions Systems	(24,582,976)	(1,640,067)	0	(26,223,043)
Collections Systems	(45,436,947)	(2,754,688)	0	(48,191,635)
Autos and Trucks	(1,713,928)	(88,171)	0	(1,802,099)
Total Accumulated Depreciation	<u>(164,517,936)</u>	<u>(10,031,313)</u>	<u>0</u>	<u>(174,549,249)</u>
Total Capital Assets, being depreciated, net	201,928,990	9,680,488	0	211,609,478
Business-Type Activities Capital Assets, Net	<u>\$ 239,301,554</u>	<u>\$ 35,485,704</u>	<u>\$ (13,439,777)</u>	<u>\$ 261,347,481</u>

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

**Governmental Activities**

General Government:

Legislative and Executive	\$ 1,145,033
Judicial	509,335
Public Safety	2,087,972
Public Works	3,589,912
Health	44,816
Human Services	254,439
Community Development	443,941
Transportation	100,963
Total Depreciation Expense Governmental Activities	<u>\$ 8,176,411</u>

Component Units' capital asset activity for the year ended December 31, 2006 was as follows:

	Balance 12/31/2005	Additions	Reductions	Balance 12/31/2006
Capital Assets not being depreciated:				
Land	\$ 458,517	\$ 0	\$ 0	\$ 458,517
Total Capital Assets at Historical Cost not being depreciated	<u>458,517</u>	<u>0</u>	<u>0</u>	<u>458,517</u>
Capital Assets being depreciated:				
Building and Improvements	10,945,548	119,899	0	11,065,447
Furniture, Fixtures, and Equipment	1,556,581	67,475	0	1,624,056
Total Capital Assets at Historical cost being depreciated	<u>12,502,129</u>	<u>187,374</u>	<u>0</u>	<u>12,689,503</u>
Less Accumulated Depreciation:				
Building and Improvements	(5,426,908)	(267,232)	0	(5,694,140)
Furniture, Fixtures, and Equipment	(1,376,567)	(65,892)	0	(1,442,459)
Total Accumulated Depreciation	<u>(6,803,475)</u>	<u>(333,124)</u>	<u>0</u>	<u>(7,136,599)</u>
Total Capital Assets, being depreciated, net	5,698,654	(145,750)	0	5,552,904
Capital Assets, Net	<u>\$ 6,157,171</u>	<u>\$ (145,750)</u>	<u>\$ 0</u>	<u>\$ 6,011,421</u>



**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE H: Capital Assets (Continued)**

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

Health	\$ 87,766
Human Services	<u>245,358</u>
Total Depreciation Expense Component unit activities	<u><u>\$ 333,124</u></u>

**NOTE I: Long-Term Debt and Obligations**

Long-term debt and other obligations of the County at December 31, 2006 were as follows:

**Governmental Activities**

	Interest Rate %	Maturity	Balance 12/31/2005	Additions	Deletions	Balance 12/31/2006	Amounts Due in One Year
<b>General Obligation Bonds</b>							
1992 Correctional Facilities- \$7,310,000	3.0-6.0%	2009	\$ 930,000	\$ 0	\$ 210,000	\$ 720,000	\$ 225,000
1999 Communications Center- \$6,500,000	4.0-5.13%	2009	2,990,000	0	690,000	2,300,000	730,000
2001 Refunding Correctional Facilities-\$2,695,000	2.15-4.0%	2009	1,425,000	0	345,000	1,080,000	350,000
2001 Various Purposes - \$17,300,000	2.15-4.1%	2011	15,740,000	0	1,785,000	13,955,000	1,870,000
2003 Road Improvement & Refunding-\$14,950,000	1.15-4.375%	2023	4,265,000	0	505,000	3,760,000	515,000
<b>Total General Obligation Bonds</b>			<u>\$ 25,350,000</u>	<u>\$ 0</u>	<u>\$ 3,535,000</u>	<u>\$ 21,815,000</u>	<u>\$ 3,690,000</u>

**Ohio Public Works Commission**

2002 Gibson Road Bridge Replacement-\$357,521		2022	\$ 294,955	\$ 0	\$ 17,876	\$ 277,079	\$ 17,876
2006 OPWC-\$501,305		2025	0	501,305	25,065	476,240	25,065
2006 OPWC Loan - \$500,000		2025	0	500,000	25,000	475,000	25,000
<b>Total Ohio Public Works Commission</b>			<u>\$ 294,955</u>	<u>\$ 1,001,305</u>	<u>\$ 67,941</u>	<u>\$ 1,228,319</u>	<u>\$ 67,941</u>

**Special Assessment Bonds with Governmental Commitment**

1989 Water Line Extension - \$88,000	7.25-7.37%	2009	\$ 20,000	\$ 0	\$ 5,000	\$ 15,000	\$ 5,000
1990 Water Line Extension - \$167,700	7.25%	2010	65,000	0	10,000	55,000	10,000
1990 Peggy Drive - \$85,000	7.12%	2010	33,000	0	6,000	27,000	6,000
1992 Waterline - \$97,300	5.875%	2012	35,000	0	5,000	30,000	5,000
1993 Murle Lane Sewer - \$93,000	5.50%	2013	40,000	0	5,000	35,000	5,000

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

**Governmental Activities**

	Interest Rate %	Maturity	Balance 12/31/2005	Additions	Deletions	Balance 12/31/2006	Amounts Due in One Year
<b>Special Assessment Bonds with Governmental Commitment</b>							
1996 Mt. Zion Rd. Water Main - \$110,000	4.50%	2016	65,000	0	5,000	60,000	5,000
1998 Middle East Fork Sewer - \$1,165,000	4.75-5.25%	2017	605,000	0	85,000	520,000	85,000
1998 Bells Lane - \$405,000	4.50%	2008	140,000	0	45,000	95,000	45,000
1998 Ohio Water Project - \$185,000	4.90%	2018	145,000	0	10,000	135,000	10,000
1999 Woods Point - \$690,000	4.05-5.20%	2009	315,000	0	75,000	240,000	75,000
2000 Gibson Water - \$235,000	5.00-5.50%	2020	195,000	0	10,000	185,000	10,000
2000 State Route 125 Sewer - \$885,000	5.00-5.50%	2020	740,000	0	35,000	705,000	35,000
2001 Miamiville Road & Wards Corner Road - \$40,000	5.00%	2021	35,000	0	2,000	33,000	1,000
2002 Waterline Project - \$60,000	4.00-5.00%	2020	54,000	0	2,000	52,000	2,000
2002 Sanitary Sewer Project - \$260,000	4.00-5.00%	2020	228,000	0	12,000	216,000	12,000
2003 Various Purpose - \$240,000	2.00-4.75%	2023	223,000	0	9,000	214,000	9,000
2004 Olive Branch-Stonelick Widening - \$1,700,000	3.96%	2024	1,615,000	0	85,000	1,530,000	85,000
2004 North Afton Sewer - \$460,000	3.86%	2024	435,000	0	25,000	410,000	25,000
2005 Various Purpose - \$1,850,000	2.90-4.10%	2025	1,850,000	0	90,000	1,760,000	95,000
2006 Various Purpose - \$680,000	3.60-4.50%	2026	0	680,000	0	680,000	30,000
<b>Total Special Assessment Bonds</b>			<u>\$ 6,838,000</u>	<u>\$ 680,000</u>	<u>\$ 521,000</u>	<u>\$ 6,997,000</u>	<u>\$ 555,000</u>
Compensated Absences			<u>\$ 4,495,031</u>	<u>\$ 2,499,624</u>	<u>\$ 2,385,508</u>	<u>4,609,147</u>	<u>\$ 2,509,384</u>
<b>Total Governmental Activities Long-Term Liabilities</b>			<u>\$ 36,977,986</u>	<u>\$ 4,180,929</u>	<u>\$ 6,509,449</u>	<u>\$ 34,649,466</u>	<u>\$ 6,822,325</u>

**Business-Type Activities**

	Interest Rate %	Maturity	Balance 12/31/2005	Additions	Deletions	Balance 12/31/2006	Amounts Due in One Year
<b>Sewer</b>							
2003 Sewer System Refunding Revenue Bonds - \$39,345,000	2.0-4.9%	2024	\$ 35,925,000	\$ 0	\$ 1,665,000	\$ 34,260,000	\$ 1,700,000
Total Sewer Revenue Bonds			<u>35,925,000</u>	<u>0</u>	<u>1,665,000</u>	<u>34,260,000</u>	<u>1,700,000</u>
Ohio Water Development Authority Notes - \$2,900,437	5.2-6.5%	2014	1,304,402	0	156,499	1,147,903	165,011
OPWC Loans - \$9,269,910	0.0-2.0%	2023	5,787,162	1,833,700	235,161	7,385,701	442,322
<b>Total Sewer</b>			<u>\$ 43,016,564</u>	<u>\$ 1,833,700</u>	<u>\$ 2,056,660</u>	<u>\$ 42,793,604</u>	<u>\$ 2,307,333</u>

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

**Business-Type Activities**

	Interest Rate %	Maturity	Balance 12/31/2005	Additions	Deletions	Balance 12/31/2006	Amounts Due in One Year
<b>Water</b>							
2003 Water System Refunding Revenue Bonds - \$37,020,000	1.2-5.25%	2018	\$ 33,015,000	\$ 0	\$ 2,005,000	\$ 31,010,000	\$ 2,070,000
OPWC Loans - \$528,696	0.00%	2025	502,261	0	26,434	475,827	26,435
<b>Total Water</b>			<u>\$ 33,517,261</u>	<u>\$ 0</u>	<u>\$ 2,031,434</u>	<u>\$ 31,485,827</u>	<u>\$ 2,096,435</u>
<b>Total Business-Type Activities</b>			<u>\$ 76,533,825</u>	<u>\$ 1,833,700</u>	<u>\$ 4,088,094</u>	<u>\$ 74,279,431</u>	<u>\$ 4,403,768</u>

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

Year	GENERAL OBLIGATION BONDS		SPECIAL ASSESSMENT BONDS	
	Principal	Interest	Principal	Interest
2007	\$ 3,690,000	\$ 863,983	\$ 555,000	\$ 309,811
2008	3,910,000	724,246	518,000	280,103
2009	4,065,000	568,067	483,000	258,583
2010	4,260,000	405,566	394,000	237,998
2011	4,425,000	236,764	385,000	221,719
2012-2016	950,000	182,944	1,967,000	865,808
2017-2021	350,000	82,356	1,754,000	431,834
2022-2026	165,000	10,938	941,000	98,248
<b>TOTAL</b>	<u>\$ 21,815,000</u>	<u>\$ 3,074,864</u>	<u>\$ 6,997,000</u>	<u>\$ 2,704,104</u>

OPWC LOANS		
Year	Principal	Interest
2007	\$ 67,941	\$ 0
2008	67,941	0
2009	67,941	0
2010	67,941	0
2011	67,941	0
2012-2016	339,705	0
2017-2021	339,705	0
2022-2026	209,204	0
<b>TOTAL</b>	<u>\$ 1,228,319</u>	<u>\$ 0</u>

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

Year	SEWER REVENUE BONDS		WATER REVENUE BONDS	
	Principal	Interest	Principal	Interest
2007	\$ 1,700,000	\$ 1,416,670	\$ 2,070,000	\$ 1,398,755
2008	1,750,000	1,365,670	2,125,000	1,343,900
2009	1,805,000	1,313,170	2,195,000	1,271,650
2010	1,875,000	1,240,970	2,285,000	1,183,850
2011	1,950,000	1,165,970	2,375,000	1,092,450
2012-2016	10,995,000	4,594,450	13,535,000	3,808,538
2017-2021	13,505,000	2,073,737	6,425,000	510,300
2022-2026	680,000	67,865	0	0
<b>TOTAL</b>	<b><u>\$ 34,260,000</u></b>	<b><u>\$ 13,238,502</u></b>	<b><u>\$ 31,010,000</u></b>	<b><u>\$ 10,609,443</u></b>

Year	OWDA LOANS		OPWC LOANS	
	Principal	Interest	Principal	Interest
2007	\$ 165,011	\$ 60,161	\$ 468,757	\$ 9,705
2008	173,988	51,184	469,927	8,535
2009	183,456	41,715	471,121	7,342
2010	193,443	31,728	472,338	6,124
2011	204,134	21,037	473,580	4,882
2012-2016	227,871	11,361	2,249,553	0
2017-2021	0	0	1,808,820	0
2022-2026	0	0	1,447,432	0
<b>TOTAL</b>	<b><u>\$ 1,147,903</u></b>	<b><u>\$ 217,186</u></b>	<b><u>\$ 7,861,528</u></b>	<b><u>\$ 36,588</u></b>

**Compensated Absences**

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

**Special Assessment Debt**

During 2006, the County issued \$680,000 in special assessment bonds. The bonds were consolidated into one special assessment issue for the Klondyke Road, Bailey Drive, Overlook Drive, and U.S. Route 50 Water Project; Baldwin Road and Baldwin Woods Trail Water Project; and the Behymer Road Sewer Project.

**OPWC Loans**

The County received two OPWC loans in 2006. One for the Hill Station & Blue Sky Park Bridge Projects in the amount of \$501,305 and the second loan is for the Branch Hill Guinea Pike Intersection Project in the amount of \$500,000. These non-interest bearing loans have payments of principal paid semi-annually through 2026 and will be paid with Motor Vehicle and Gas money from governmental activities.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

OPWC loans payable at December 31, 2006, consist of various individual loans totaling \$7,861,528 due to the Ohio Public Works Commission for specified sewer system construction costs and specified water system construction costs. During 2006, the County received a non-interest bearing loan totaling \$1,833,700 for sewer system construction. Payments of principal and interest are payable semi-annually through 2026.

**Long-Term Bonds and Loans**

All long-term debt issued for governmental purposes of the County and self-supporting, special assessment bonds with governmental commitment are retired from a Debt Service Fund. Revenue bonds are retired from the related Enterprise fund. However, each appropriate bond indenture provides for principal and interest to be paid from user charges. General obligation bonds and notes are secured by the County's ability to levy a voted or unvoted property tax within limitations of Ohio law. Special assessment debt is paid from the proceeds of assessments levied against benefited property owners. In the event that an assessed property owner fails to make payments, the County will be required to pay the related debt. Delinquent special assessments receivable is \$56,346 at December 31, 2006. The Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans will be paid from revenues derived by the County from the operation of the water and sewer systems. Under the Uniform Bond Act of the Ohio Revised Code, the County has the capacity to issue \$31,674,683 of additional unvoted general obligation debt.

**Defeased Debt**

In prior years, the County defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On December 31, 2006, \$8,475,000 general obligation bonds and \$205,000 of revenue bonds are considered defeased.

**Leases:** The County had no material capital or operating leases for the year ended December 31, 2006.

**Revenue Bond Coverage:** The County Water and Sewer funds are required under Revenue Bond Trust Indentures to maintain minimum debt service coverage ratios. For the 2006 fiscal year, the Water Fund and Sewer Fund were required to maintain 110% coverage ratios. The coverage ratios for 2006, based on operating income, system capacity charges and investment income and excluding depreciation for the Water Fund and Sewer Fund, were 207% and 329% respectively, which both met their legal requirements.

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

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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

Long-term debt and other obligations of the component units at December 31, 2006 were as follows:

	Interest Rate %	Maturity	Balance 12/31/2005	Additions	Deletions	Balance 12/31/2006	Amounts Due in One Year
1991 MHRB FHA Loan- \$244,000	7.00%	2018	\$ 168,002	\$ 0	\$ 8,219	\$ 159,783	\$ 8,806
1996 MHRB FHA Loan- \$624,000	5.75%	2018	398,609	0	21,994	376,615	23,288
Compensated Absences			788,760	397,952	394,335	792,377	387,003
Total Long-term Obligations			<u>\$ 1,355,371</u>	<u>\$ 397,952</u>	<u>\$ 424,548</u>	<u>\$ 1,328,775</u>	<u>\$ 419,097</u>

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

MHRB LOANS		
Year	Principal	Interest
2007	\$ 32,094	\$ 31,955
2008	34,113	29,943
2009	36,252	27,804
2010	38,527	25,529
2011	40,945	23,111
2012-2016	246,722	73,558
2017-2018	107,745	6,405
TOTAL	<u>\$ 536,398</u>	<u>\$ 218,305</u>

**NOTE J: Conduit Debt Obligation**

The County periodically has issued Hospital Facility, Economic Development, Industrial Development and Multi-Family Housing revenue bonds. The proceeds of these issues are used to acquire, construct, improve, expand and equip facilities associated with private-sector entities. Trustees make the principal and interest payments on the outstanding bonds. The issued bonds do not constitute a general obligation, debt or bonded indebtedness of the County nor is the full faith and credit or taxing power of the County pledged to make repayment. As of December 31, 2006, it is estimated that \$123,301,000 was still outstanding of previously issued bonds.

**NOTE K: Defined Benefit Pension Plans**

**Public Employees Retirement System:**

All full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System (OPERS) which is a public employee retirement system created by the State of Ohio. OPERS administers three separate pension plans as described below:

- The Traditional Pension Plan - a cost sharing multiple-employer defined benefit pension plan;

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE K: Defined Benefit Pension Plans (Continued)**

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

OPERS, provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the Traditional Pension and Combined Plans. Members of the Member-Directed plan do not qualify for ancillary benefits. The authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code. OPERS, issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-6701 or 800-222-7377.

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2005, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only within the Traditional Pension Plan. The employee contribution rate for 2006 was 9.0% for employees other than law enforcement. The law enforcement classification consists of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%. The 2006 employer contribution rate was 13.70% of covered payroll. The 2006 employer contribution rate for both the law enforcement and public safety divisions was 16.93% of covered payroll. The County's contributions to PERS for the years ended December 31, 2006, 2005 and 2004 were \$7,946,504, \$7,638,660, and \$7,304,304 respectively, 100% has been contributed for the years 2006, 2005, and 2004.

**State Teachers Retirement System**

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

Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. The employee contribution rate for 2006 was 10% for employees. The employer contribution rate for 2006 was 14% of covered payroll. The County's contributions to STRS for the years ended December 31, 2006, 2005, and 2004 were \$149,172, \$146,308, and \$163,836 respectively, 100% has been contributed for the years 2006, 2005 and 2004.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE L: Post-Employment Benefits Other Than Pension Benefits**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to qualifying members of both the Traditional and the Combined Plans. Members of the Member-Directed Plan do not qualify for post-employment health care coverage. In order to qualify for post-retirement health care coverage, age and service retirees must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered an Other Post-employment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care based on authority granted by state statute. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2006 employer contribution rate was 13.70% of covered payroll for employees not engaged in law enforcement, 4.50 % was the portion that was used to fund health care. For law enforcement employees, the employer contribution rate was 16.93% of which 4.50% was used to fund health care.

Assumptions and calculations were based on the System's latest Actuarial Review performed as of December 31, 2005. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25.00% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2005 was 6.50%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase were assumed to range from .50% to 6.30%. Health care costs were assumed to increase at the project wage inflation rate plus an additional factor ranging from .50% to 6.00% for the next 9 years. In subsequent years health care costs were assumed to increase at 4.00%.

At December 31, 2006, the total number of active contributing participants in the Traditional Pension and the Combined Plans was 369,214. The 2006 rate of 4.50% was the actuarially determined contribution requirements for OPERS. As of December 31, 2005, the net assets available for future OPEB were \$11.1 billion. The County's actual contributions for 2006 which were used to fund OPEB were \$2,262,642 for employees other than law enforcement and \$222,398 for law enforcement employees. 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 on January 1, 2007. 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. 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.

The State Teachers Retirement System (STRS) requires all benefit recipients to pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contributions, currently 14% of covered payroll. The Board currently allocates employer contributions equal to 1% of covered payroll to the Health Care Stabilization Fund for which payments for health care benefits are paid. The County's contribution for 2006 was \$10,655. As of June 30, 2006, eligible benefits recipients totaled 119,000. For the year ended June 30, 2006, net health care costs paid by STRS were \$254.8 million.



**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE M: Other Employee Benefits**

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

**NOTE N: Contingencies and Commitments**

**Consent Order Dated November 7, 1989:**

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

**Other Civil Claims:**

The County is a defendant in a number of claims and lawsuits which may be classified as routine litigation in which minimal nonmaterial damages are being sought. In addition, the County is a defendant in numerous other claims and lawsuits in which the County believes either they will prevail in the litigation or the amounts claimed are overstated and not fair estimates of the ultimate settlements, if any. Amounts paid by the County in 2006 for litigation settled were not material. There are no liabilities associated with any contingencies carried in the accompanying financial statements based upon the information disclosed in the above paragraph.

**Construction Commitments:**

As of December 31, 2006, the County had contractual commitments for significant construction projects as follows:

<b>Project</b>	<b>Fund</b>	<b>Total Contracts</b>	<b>Completed to Date</b>	<b>Commitment Remaining</b>
Road & Bridge Construction	M V & G	\$ 3,413,661	\$ 1,831,934	\$ 1,581,727
Road Improvement	Planning & Development Capital	2,288,080	1,435,710	852,370
Medical Social Services Building	Social Services Capital	58,268	40,152	18,116
Justice Buildings Construction	Justice Capital	279,921	219,316	60,605
Water	Water District	9,559,027	5,990,555	3,568,472
Sewer	Sewer District	23,869,347	15,829,014	8,040,333
<b>Total</b>		<u>\$ 39,468,304</u>	<u>\$ 25,346,681</u>	<u>\$ 14,121,623</u>

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE O: Federal and State Grants**

The County participates in a number of Federal and State assisted grant programs. The significant programs are: Workforce Investment Act Grants, Community Development Block grants, Highway Planning and Construction grants, Transportation grants, Mental Health and Mental Disability grants. These programs are subject to financial and compliance audits by the Auditor of State under the Single Audit Act of 1984, Single Audit Act as amended in 1996 and OMB Circular A-133. At June 1, 2007, the audits of certain programs have been completed. Accordingly, the County's compliance with applicable grant regulations does not have a material adverse effect on the County's financial position.

**NOTE P: Amendments to Original Appropriations Budget**

Amendments to the County's original appropriation beyond the object level must be approved by the Board of County Commissioners. In 2006, the original appropriation measure was increased and decreased by the Commissioners with the net effect as follows: General Fund, \$44,931; Special Revenue Funds, \$10,969,083; Capital Project Funds, \$1,127,995; and Debt Service Funds, \$50,065.

**NOTE Q: Interfund Transactions**

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

A summary of transfers is as follows:

Transfer To	Transfer From							
	General	M V & G	County Capital	Nonmajor Governmental	Internal Service	Water	Sewer	Total
General	\$ 0	\$ 0	\$ 0	\$ 50,165	\$ 0	\$ 0	\$ 0	\$ 50,165
Social Services	893,746	0	0	0	0	0	0	893,746
Special Assessment	0	0	0	0	0	664	664	1,328
County Capital	182,450	0	0	0	90,000	0	0	272,450
Nonmajor Governmental	2,850,985	67,941	3,663,735	0	0	0	0	6,582,661
Internal Service	30,956	0	0	0	0	0	0	30,956
Water	0	0	0	636,224	0	0	0	636,224
Sewer	0	0	0	36,976	0	0	0	36,976
<b>TOTALS</b>	<b>\$ 3,958,137</b>	<b>\$ 67,941</b>	<b>\$ 3,663,735</b>	<b>\$ 723,365</b>	<b>\$ 90,000</b>	<b>\$ 664</b>	<b>\$ 664</b>	<b>\$ 8,504,506</b>

The County's Capital Improvement Fund transferred \$430,000 to the Communication Center Projects Fund and \$3,233,735 to the Debt Service Funds for the payment of debt. The County's MV & G Fund transferred \$67,941 to the Debt Service funds for the payment of debt.

The County issued and sold \$680,000 of bonds in anticipation of special assessments levied for the purpose of construction of various water and sewer projects during 2006. The Water and Sewer Funds administrate the construction and maintenance of these projects. Consequently, the County's Community Development Projects Fund contributed \$673,200 to the Water and Sewer Funds via transfers. The Water and Sewer Funds transferred \$1,328 of the bond proceeds back to the Special Assessment Debt Service Fund for payment of the debt.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

**NOTE R: Interfund Receivables/Payables**

Individual fund interfund assets/liabilities balances as of December 31, 2006, related to the primary government were as follows:

<b>GOVERNMENTAL ACTIVITIES</b>	<b>ASSET</b>	<b>LIABILITY</b>
	Interfund Receivable	Interfund Payable
General	\$ 1,374,008	\$ 0
Social Service	0	500,000
Special Assessment Debt Service	0	95,671
Nonmajor Governmental Funds	0	864,690
<b>BUSINESS-TYPE ACTIVITIES</b>		
Water	0	0
Sewer	86,353	0
<b>TOTAL</b>	<u>\$ 1,460,361</u>	<u>\$ 1,460,361</u>

During 2006, the County General Fund made advances to Special Assessment Debt Service Fund and nonmajor governmental funds in the amount of \$262,718 in anticipation of intergovernmental grant revenue, special assessments and charges for services revenue. In 2005 and 2006, the Sewer Fund advanced \$44,090 and \$42,263, respectively to the Special Assessment Debt Service Fund for principal and interest payments. \$1,364,690 is not scheduled to be collected in the subsequent year.

Due to/from Primary Government and Component Units as of December 31, 2006, were as follows:

	<b>ASSET</b>	<b>LIABILITY</b>
	Due from Component Unit	Due to Primary Government
Primary Government - General Fund	\$ 1,547,093	\$ 0
Component Unit - CIC	0	1,547,093

In March 2006, the Board of County Commissioners transferred 30.6 acres (cost of land was \$2,542,105) to the CIC for consideration of one dollar with an arrangement that the CIC repay the County the cost of the land when it is sold by the CIC. The CIC provided repayment of \$1,020,143 on December 22, 2006 to the County per their agreement with the County. In addition, in December 2006, the County transferred 0.832 acres to the CIC for consideration of one dollar with the arrangement that the CIC will repay the County the value of the land when sold. As of December 31, 2006, the land had a historical value of \$25,131. A liability is due to the County for \$1,547,093 for the land not sold as of December 31, 2006.

**NOTE S: Risk Management**

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

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE S: Risk Management (Continued)**

St. Paul Fire & Marine Insurance Company provides an \$10,000,000 per occurrence limit Liability Package for general liability, automobile liability, law enforcement liability, public entity management liability and a \$2,000,000 limit for Employment Practices Liability. Travelers Indemnity Company provides a \$100,000,000 per occurrence limit for real and personal property coverage. Coverage in the protected self-insurance program is subject to the following per occurrence retentions/deductibles: Property - \$50,000 deductible; Automobile - \$25,000 retention; All Other Liability \$100,000 retention; Combined Maximum (Liability) - \$100,000 retention; Maximum per Year (Liability) - \$500,000 retention.

Travelers Property Casualty Company of America provides the County's boiler & machinery coverage with limits up to \$50,000,000 subject to a \$10,000 deductible. Travelers Casualty and Surety Company of America provides the County's crime insurance with limits up to \$250,000 for dishonest acts of employees and limits up to \$75,000 for theft, disappearance or destruction of money and securities subject to respective deductibles of \$5,000 and \$1,000 deductible. Landmark America Insurance Company provides coroner's professional liability with a limit of \$1,000,000 subject to a \$10,000 deductible. Settled claims have not exceeded this commercial coverage in any of the past five years.

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

The County has elected to provide employees major medical, vision and hospitalization through a self-insured program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third party administrator, Humana and Dental Care Plus Insurance Companies, reviews all claims which are then paid by the County. The County purchases stop-loss coverage of \$100,000 per employee and an aggregate limit of \$1,000,000. The County pays into the self-insurance internal service fund \$761.76 for family coverage and \$350.66 for individual coverage per employee per month which represents a 75% of the entire premium required (employees pay in 25% of the premium). The premium is paid by the fund that pays the salary for the employee and is based on historic cost information. The claims liability of \$489,591 reported in the Health Insurance fund at December 31, 2006, is estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in 2006 were:

	Claims Balance Beginning of Year	Current Year Claims and Changes in Claims Estimate	Claims Payments	Claims Balance at Year End
2005	\$ 764,372	\$ 8,088,497	\$ (8,014,016)	\$ 838,853
2006	838,853	7,467,783	(7,817,045)	489,591

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE T: LAND PURCHASE AND SALE/RELATED PARTY TRANSACTION/SUBSEQUENT EVENTS**

**Land Purchase and Sale**

In December 2005, the County entered into contracts to purchase 100 acres of land. In January 2006 and in April 2006, the County purchased the 100 acres located in Union Township in the amount of \$8,221,230 for economic development. In March 2006, the Board of County Commissioners transferred 30.6 acres, cost of the land was \$2,542,105, to the Clermont County Community Improvement Corporation, Inc. (CIC) for the consideration of one dollar with the CIC repaying the County the cost of the land when sold. The remaining 69.4 acres is shown on the Statement of Net Assets at a cost of \$5,679,125 as Land Held for Resale.

In 2006, the CIC sold 12.5 acres. The County received repayment of \$1,020,143 in 2006 for repayment of the land as required in Ohio Revised Code Section 1724.10(C). In December 2006, the County transferred .832 acres located in Union Township to the CIC for the consideration of one dollar with the CIC repaying the County the cost of the land when sold. The historical value of the land as of December 31, 2006 was \$25,131. As a result, the County shows a due from component unit and unearned revenue in the amount of \$1,547,093 for the remaining land not sold.

**Related Party Transaction**

At the time of the 2005 contract, the 2006 purchase and transfer, a member of the Clermont County Community Improvement Corporation, Inc. was the husband of a member of the Board of County Commissioners.

**Subsequent Event**

In March 2007, the County transferred .877 acres of the remaining 69.4 acres that is Land Held for Resale. The value of the .877 acres transferred is \$70,378.

**NOTE U: CLERMONT COUNTY CIC, INC.**

**Nature of Operations**

The Clermont County CIC, Inc., (CIC) is a not-for-profit organization which derives the major source of its revenues from Clermont County (County), application fees and interest income. The CIC was established in November 2003 for the economic development of Clermont County. The CIC works with the County in many aspects of the overall adopted economic development strategy, but its current efforts are focused on facilitating industrial and office park development which will lead to new industrial and commercial investment.

The CIC is also providing financing assistance to companies through the use of Industrial Revenue Bonds (IRBs).

The CIC's management believes the financial statements present all activities for which the Corporation is financially accountable.

The CIC has no component units or other organizations to be included in the financial statements. The CIC is however a discretely presented component unit of Clermont County.

**Summary of Significant Accounting Policies**

The financial statements consist of a single-purpose business-type activity which is reported on the accrual basis of accounting using the economic resources measurement focus.

Cash Equivalents: During the calendar year 2006, the corporation's funds were in an interest bearing account.

**Clermont County, Ohio**  
Notes to the Basic Financial Statements  
For the Year Ended December 31, 2006

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**NOTE U: CLERMONT COUNTY CIC, INC. (Continued)**

Significant Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Capital Assets: Capital Assets are stated at historical cost. The only assets capitalized by the Corporation are land held for resale.

Income Taxes: The CIC has applied to be a not-for-profit tax exempt organization under the Internal Revenue Code Section 501(c) (3). Accordingly, there is no provision for income taxes in these financial statements.

**Land Held for Resale and Due to Primary Government:**

Land Held for Resale for the fiscal year ended December 31, 2006 is as follows:

Class	1/1/2006 Beginning Balance	Additions	Deletions	12/31/2006 Ending Balance
Land Held for Resale/Due to Primary Government	<u>0</u>	<u>2,567,236</u>	<u>1,020,143</u>	<u>1,547,093</u>

In March 2006, the Board of County Commissioners transferred 30.6 acres (cost of land was \$2,542,105) to the CIC for consideration of one dollar with arrangement that the CIC repay the County the cost of the land when it is sold by the CIC.

In May 2006, the Corporation sold 12.5 acres. The CIC provided repayment of \$1,020,143 on December 22, 2006 to the County per their agreement with the County. In addition, in December 2006, the County transferred 0.832 acres located on the Northwest side of Eastgate Boulevard South of State Route 32 to the CIC for consideration of one dollar with the arrangement that the CIC will repay the County the market value of the land when sold. As of December 31, 2006, the land had a historical value of \$25,131.

A liability is due to the County in the amount of \$1,547,093 for the land not sold as of December 31, 2006. The CIC is reporting the asset as land held for resale and an amount due to Clermont County on the statement of net assets representing the remaining land not sold.

**Subsequent Event**

In March 2007, the Board of County Commissioners approved to transfer two parcels to the CIC from the 69.4 acres held by the County as Land Held for Resale. 0.419 and 0.458 acres were transferred with the values of \$33,624 and \$36,754, respectively.

In May 2007, the CIC sold 8.84 acres of the 30.6 acres transferred to the CIC from the County in March 2006, for consideration of \$701,479.

**CLERMONT COUNTY, OHIO**  
**COMBINING FINANCIAL STATEMENTS**  
**AND**  
**SCHEDULES**

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

**Nonmajor Special Revenue Funds**

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

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

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

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

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

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

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

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

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

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

**Nonmajor Debt Service Fund**

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

Continued



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

**Nonmajor Capital Projects Funds**

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

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

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

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

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

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

**Clermont County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2006*

	Nonmajor Special Revenue Funds			
	Health and Solid Waste	Real Estate	Other	
	District	Assessment	Legislative	Public Safety
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 847,665	\$ 3,942,458	\$ 881,634	\$ 3,577,353
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	0
Receivables:				
Accounts	170	6,553	3,475	983
Special Assessments	0	0	0	0
Accrued Interest	0	0	0	1,872
Intergovernmental	13,071	0	0	1,124,500
Prepaid Items	0	0	0	1,104
Loans Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$ 860,906</u>	<u>\$ 3,949,011</u>	<u>\$ 885,109</u>	<u>\$ 4,705,812</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 34,380	\$ 71,507	\$ 28,213	\$ 254,813
Contracts Payable	0	0	0	0
Accrued Wages and Benefits	2,465	36,955	20,083	68,969
Compensated Absences Payable	0	0	0	0
Intergovernmental Payable	371	5,466	2,951	12,872
Interfund payable	0	0	0	0
Deferred Revenue	13,071	0	0	731,024
<i>Total Liabilities</i>	<u>50,287</u>	<u>113,928</u>	<u>51,247</u>	<u>1,067,678</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	35,815	905,287	84,965	84,485
Reserved for Loans	0	0	0	0
Reserved for Prepaid items	0	0	0	1,104
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	774,804	2,929,796	748,897	3,552,545
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	0
<i>Total Fund Balances</i>	<u>810,619</u>	<u>3,835,083</u>	<u>833,862</u>	<u>3,638,134</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 860,906</u>	<u>\$ 3,949,011</u>	<u>\$ 885,109</u>	<u>\$ 4,705,812</u>

Nonmajor Special Revenue Funds					Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	
Community Transportation	Judicial Programs	Community Development	Computer Legal Research	Storm Water	County Debt Service	Public Safety Projects	Social Services Projects
\$ 414,085	\$ 643,894	\$ 137,563	\$ 1,426,486	\$ 249,800	\$ 192,097	\$ 5,064,323	\$ 1,148,283
0	0	0	0	0	1,979	0	0
67,477	279	0	700	0	0	0	0
0	0	0	0	0	3,933,981	0	0
0	0	426	0	0	0	0	0
0	84,167	177,404	0	0	0	0	0
5,225	71	0	21,937	2,594	0	0	0
0	0	73,014	0	0	0	0	0
<u>\$ 486,787</u>	<u>\$ 728,411</u>	<u>\$ 388,407</u>	<u>\$ 1,449,123</u>	<u>\$ 252,394</u>	<u>\$ 4,128,057</u>	<u>\$ 5,064,323</u>	<u>\$ 1,148,283</u>
\$ 69,316	\$ 1,697	\$ 191,748	\$ 4,295	\$ 42,371	\$ 0	\$ 0	\$ 0
0	0	0	0	0	0	10,000	14,006
16,489	10,172	2,675	2,389	4,406	0	0	0
0	0	0	0	0	0	0	0
2,437	1,521	399	360	666	0	0	0
0	0	0	0	864,690	0	0	0
2,976	72,545	255	0	0	3,933,115	0	0
<u>91,218</u>	<u>85,935</u>	<u>195,077</u>	<u>7,044</u>	<u>912,133</u>	<u>3,933,115</u>	<u>10,000</u>	<u>14,006</u>
10,521	234	74,840	11,772	199,888	0	16,967	54,179
0	0	73,014	0	0	0	0	0
5,225	71	0	21,937	2,594	0	0	0
379,823	642,171	45,476	1,408,370	(862,221)	0	0	0
0	0	0	0	0	194,942	0	0
0	0	0	0	0	0	5,037,356	1,080,098
<u>395,569</u>	<u>642,476</u>	<u>193,330</u>	<u>1,442,079</u>	<u>(659,739)</u>	<u>194,942</u>	<u>5,054,323</u>	<u>1,134,277</u>
<u>\$ 486,787</u>	<u>\$ 728,411</u>	<u>\$ 388,407</u>	<u>\$ 1,449,123</u>	<u>\$ 252,394</u>	<u>\$ 4,128,057</u>	<u>\$ 5,064,323</u>	<u>\$ 1,148,283</u>

Continued

**Clermont County, Ohio**  
*Combining Balance Sheet*  
*Nonmajor Governmental Funds*  
*December 31, 2006 -Continued*

	<u>Nonmajor Capital Projects Funds</u>			Total NonMajor Governmental Funds
	Communication Center Projects	Judicial Projects	Community Development Projects	
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,623,918	\$ 1,370,654	\$ 1,879,294	\$ 23,399,507
Cash and Cash Equivalents with Fiscal & Escrow Agent	0	0	0	1,979
Receivables:				
Accounts	0	0	0	79,637
Special Assessments	0	0	0	3,933,981
Accrued Interest	0	0	0	2,298
Intergovernmental	0	0	0	1,399,142
Prepaid Items	0	0	0	30,931
Loans Receivable	0	0	0	73,014
<i>Total Assets</i>	<u>\$ 1,623,918</u>	<u>\$ 1,370,654</u>	<u>\$ 1,879,294</u>	<u>\$ 28,920,489</u>
<b>Liabilities and Fund Balances</b>				
<b>Liabilities</b>				
Accounts Payable	\$ 0	\$ 0	\$ 0	\$ 698,340
Contracts Payable	172,931	64,419	442,543	703,899
Accrued Wages and Benefits	0	0	0	164,603
Compensated Absences Payable	0	0	0	0
Intergovernmental Payable	0	0	0	27,043
Interfund payable	0	0	0	864,690
Deferred Revenue	0	0	0	4,752,986
<i>Total Liabilities</i>	<u>172,931</u>	<u>64,419</u>	<u>442,543</u>	<u>7,211,561</u>
<b>Fund Balances</b>				
Reserved for Encumbrances	98,692	112,252	1,322,929	3,012,826
Reserved for Loans	0	0	0	73,014
Reserved for Prepaid items	0	0	0	30,931
Unreserved				
Undesignated, Reported in:				
Special Revenue Funds	0	0	0	9,619,661
Debt Service Funds	0	0	0	194,942
Capital Projects Funds	1,352,295	1,193,983	113,822	8,777,554
<i>Total Fund Balances</i>	<u>1,450,987</u>	<u>1,306,235</u>	<u>1,436,751</u>	<u>21,708,928</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$ 1,623,918</u>	<u>\$ 1,370,654</u>	<u>\$ 1,879,294</u>	<u>\$ 28,920,489</u>

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**Clermont County, Ohio**  
*Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2006*

	Nonmajor Special Revenue Funds				
	Health and Solid Waste District	Real Estate Assessment	Other Legislative	Public Safety	Community Transportation
<b>Revenues</b>					
Property and Other Taxes	\$ 0	\$ 494,703	\$ 0	\$ 0	\$ 0
Charges for Services	331,299	2,331,950	1,005,904	182,309	941,278
Licenses and Permits	251,432	375	0	48,057	0
Fines and Forfeitures	38,109	0	0	181,591	0
Intergovernmental	17,942	0	0	3,100,759	1,171,191
Special Assessments	0	0	0	0	0
Investment Earnings	0	41,295	0	6,971	0
Net Increase in Fair Value of Investments	0	0	0	563	0
Other	1,145	0	0	72,288	5,734
<i>Total Revenues</i>	<u>639,927</u>	<u>2,868,323</u>	<u>1,005,904</u>	<u>3,592,538</u>	<u>2,118,203</u>
<b>Expenditures</b>					
Current:					
General Government					
Legislative and Executive	0	2,718,063	1,049,170	0	0
Judicial	0	0	0	0	0
Public Safety	0	0	0	4,243,447	0
Public Works	0	0	0	0	0
Health	668,382	0	0	0	0
Community Development	0	0	0	0	0
Transportation	0	0	0	0	2,127,801
Capital Outlay	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
<i>Total Expenditures</i>	<u>668,382</u>	<u>2,718,063</u>	<u>1,049,170</u>	<u>4,243,447</u>	<u>2,127,801</u>
Excess of Revenues Over (Under) Expenditures	<u>(28,455)</u>	<u>150,260</u>	<u>(43,266)</u>	<u>(650,909)</u>	<u>(9,598)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	0	0	50,000	379,244	0
Transfers Out	0	0	(50,000)	(165)	0
Proceeds from the Sale of Capital Assets	0	0	0	6	0
Special Assessment Bonds Issued	0	0	0	0	0
Other Financing (Uses) - Discount	0	0	0	0	0
<i>Total Other Financing Sources (Uses)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>379,085</u>	<u>0</u>
Net Change in Fund Balances	(28,455)	150,260	(43,266)	(271,824)	(9,598)
Fund Balances (Deficit) at Beginning of Year	<u>839,074</u>	<u>3,684,823</u>	<u>877,128</u>	<u>3,909,958</u>	<u>405,167</u>
Fund Balances (Deficit) End of Year	<u>\$ 810,619</u>	<u>\$ 3,835,083</u>	<u>\$ 833,862</u>	<u>\$ 3,638,134</u>	<u>\$ 395,569</u>

Nonmajor Special Revenue Funds				Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	
Judicial Programs	Community Development	Computer Legal Research	Storm Water	County Debt Service	Public Safety Projects	Social Services Projects
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
471,151	1,540	367,211	1,410	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
168,347	1,337,909	0	0	0	896,347	0
0	0	0	0	447,031	0	0
0	1,762	0	0	162	0	0
0	128	0	0	0	0	0
4,500	13,829	0	9,704	0	0	0
<u>643,998</u>	<u>1,355,168</u>	<u>367,211</u>	<u>11,114</u>	<u>447,193</u>	<u>896,347</u>	<u>0</u>
0	0	0	0	0	0	0
577,119	0	592,610	0	0	0	0
0	0	0	0	0	0	0
0	0	0	395,112	0	0	0
0	0	0	0	0	0	0
0	87,724	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	1,313,749	100,846
0	1,296,354	0	0	0	0	0
0	0	0	0	3,602,941	0	0
0	0	0	0	1,001,502	0	0
<u>577,119</u>	<u>1,384,078</u>	<u>592,610</u>	<u>395,112</u>	<u>4,604,443</u>	<u>1,313,749</u>	<u>100,846</u>
<u>66,879</u>	<u>(28,910)</u>	<u>(225,399)</u>	<u>(383,998)</u>	<u>(4,157,250)</u>	<u>(417,402)</u>	<u>(100,846)</u>
139,218	0	0	0	4,169,879	393,520	97,600
0	0	0	0	0	0	0
33	0	31	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>139,251</u>	<u>0</u>	<u>31</u>	<u>0</u>	<u>4,169,879</u>	<u>393,520</u>	<u>97,600</u>
206,130	(28,910)	(225,368)	(383,998)	12,629	(23,882)	(3,246)
<u>436,346</u>	<u>222,240</u>	<u>1,667,447</u>	<u>(275,741)</u>	<u>182,313</u>	<u>5,078,205</u>	<u>1,137,523</u>
\$ <u>642,476</u>	\$ <u>193,330</u>	\$ <u>1,442,079</u>	\$ <u>(659,739)</u>	\$ <u>194,942</u>	\$ <u>5,054,323</u>	\$ <u>1,134,277</u>

Continued

**Clermont County, Ohio**  
*Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended December 31, 2006 - Continued*

	Nonmajor Capital Projects Funds			
	Communication		Community	Total NonMajor Governmental Funds
	Center Projects	Judicial Projects	Development Projects	
<b>Revenues</b>				
Property and Other Taxes	\$ 0	\$ 0	\$ 0	\$ 494,703
Charges for Services	0	0	0	5,634,052
Licenses and Permits	0	0	0	299,864
Fines and Forfeitures	0	0	0	219,700
Intergovernmental	0	0	1,769,973	8,462,468
Special Assessments	0	0	0	447,031
Investment Earnings	0	1,546	0	51,736
Net Increase in Fair Value of Investments	0	0	0	691
Other	43,720	0	424,031	574,951
<i>Total Revenues</i>	<u>43,720</u>	<u>1,546</u>	<u>2,194,004</u>	<u>16,185,196</u>
<b>Expenditures</b>				
Current:				
General Government				
Legislative and Executive	0	0	0	3,767,233
Judicial	0	0	0	1,169,729
Public Safety	0	0	0	4,243,447
Public Works	0	0	0	395,112
Health	0	0	0	668,382
Community Development	0	0	0	87,724
Transportation	0	0	0	2,127,801
Capital Outlay	413,218	1,314,025	2,958,722	6,100,560
Intergovernmental	0	0	0	1,296,354
Debt Service:				
Principal Retirement	0	0	0	3,602,941
Interest and Fiscal Charges	0	0	0	1,001,502
<i>Total Expenditures</i>	<u>413,218</u>	<u>1,314,025</u>	<u>2,958,722</u>	<u>24,460,785</u>
Excess of Revenues Over (Under) Expenditures	<u>(369,498)</u>	<u>(1,312,479)</u>	<u>(764,718)</u>	<u>(8,275,589)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers In	513,300	339,900	500,000	6,582,661
Transfers Out	0	0	(673,200)	(723,365)
Proceeds from the Sale of Capital Assets	33	0	0	103
Special Assessment Bonds Issued	0	0	680,000	680,000
Other Financing (Uses) - Discount	0	0	(6,800)	(6,800)
<i>Total Other Financing Sources (Uses)</i>	<u>513,333</u>	<u>339,900</u>	<u>500,000</u>	<u>6,532,599</u>
Net Change in Fund Balances	143,835	(972,579)	(264,718)	(1,742,990)
Fund Balances (Deficit) at Beginning of Year	<u>1,307,152</u>	<u>2,278,814</u>	<u>1,701,469</u>	<u>23,451,918</u>
Fund Balances (Deficit) End of Year	<u>\$ 1,450,987</u>	<u>\$ 1,306,235</u>	<u>\$ 1,436,751</u>	<u>\$ 21,708,928</u>



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

**Clermont County, Ohio**  
*Schedule of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**General Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Taxes	\$ 29,405,200	\$ 29,405,200	\$ 29,028,092	\$ (377,108)
Charges for services	11,881,968	11,922,239	11,981,288	59,049
Licenses and permits	1,361,800	1,361,800	1,295,016	(66,784)
Fines and forfeitures	1,466,000	1,466,000	1,315,082	(150,918)
Intergovernmental	4,222,519	4,222,519	4,694,227	471,708
Investment earnings	3,285,523	3,285,523	4,155,904	870,381
Other revenues	905,457	918,468	1,940,778	1,022,310
<b>Total revenues</b>	<b>52,528,467</b>	<b>52,581,749</b>	<b>54,410,387</b>	<b>1,828,638</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government</b>				
<b>Legislative and executive</b>				
<b>Commissioners</b>				
Personal services	1,036,376	1,036,376	988,594	47,782
Purchased services	218,040	160,159	155,812	4,347
Materials and supplies	26,784	28,674	27,443	1,231
Maintenance and repair	6,592	6,326	5,100	1,226
Utilities	17,123	17,016	16,516	500
<b>Total Commissioners</b>	<b>1,304,915</b>	<b>1,248,551</b>	<b>1,193,465</b>	<b>55,086</b>
<b>Human Resources</b>				
Personal services	263,273	257,223	248,858	8,365
Purchased services	13,849	11,963	7,222	4,741
Materials and supplies	7,792	7,147	6,748	399
Maintenance and repair	4,724	4,661	2,761	1,900
Utilities	3,148	3,148	3,112	36
<b>Total Human Resources</b>	<b>292,786</b>	<b>284,142</b>	<b>268,701</b>	<b>15,441</b>
<b>Department of Management &amp; Budget</b>				
Personal services	308,972	315,022	296,054	18,968
Purchased services	38,649	44,909	41,530	3,379
Materials and supplies	10,491	8,575	5,055	3,520
Maintenance and repair	13,674	7,874	7,037	837
Utilities	4,797	3,774	2,274	1,500
<b>Total Dept. of Management &amp; Budget</b>	<b>376,583</b>	<b>380,154</b>	<b>351,950</b>	<b>28,204</b>
<b>Facilities Maintenance</b>				
Personal services	739,577	665,577	649,279	16,298
Purchased services	398,359	496,758	472,482	24,276
Materials and supplies	185,250	176,303	176,207	96
Maintenance and repair	109,821	104,110	103,601	509
Utilities	1,402,188	1,518,652	1,518,318	334
Other expenditures	2,500	2,500	0	2,500
<b>Total Facilities Maintenance</b>	<b>2,837,695</b>	<b>2,963,900</b>	<b>2,919,887</b>	<b>44,013</b>

Continued

**Clermont County, Ohio**  
*Schedule of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Auditor - General Office				
Personal services	\$ 853,347	\$ 854,957	\$ 838,101	\$ 16,856
Purchased services	21,900	21,350	18,201	3,149
Materials and supplies	32,078	31,800	31,306	494
Maintenance and repair	27,344	27,045	22,757	4,288
Utilities	9,567	9,917	9,915	2
Total Auditor - General Office	<u>944,236</u>	<u>945,069</u>	<u>920,280</u>	<u>24,789</u>
Information Systems				
Personal services	1,453,097	1,488,365	1,484,618	3,747
Purchased services	231,494	125,178	117,681	7,497
Materials and supplies	53,682	49,444	45,816	3,628
Maintenance and repair	181,298	131,421	96,970	34,451
Utilities	139,844	142,708	142,708	0
Total Information Systems	<u>2,059,415</u>	<u>1,937,116</u>	<u>1,887,793</u>	<u>49,323</u>
Records Retention				
Personal services	127,569	131,569	125,540	6,029
Purchased services	41,333	38,863	38,793	70
Materials and supplies	10,214	10,211	10,128	83
Maintenance and repair	19,895	21,895	21,749	146
Utilities	3,981	3,816	3,516	300
Total Records Retention	<u>202,992</u>	<u>206,354</u>	<u>199,726</u>	<u>6,628</u>
Budget Commission				
Purchased services	500	500	418	82
Materials and supplies	900	900	707	193
Total Budget Commission	<u>1,400</u>	<u>1,400</u>	<u>1,125</u>	<u>275</u>
Board of Revision				
Purchased services	3,000	3,000	2,626	374
Materials and supplies	2,000	2,000	1,835	165
Total Board of Revision	<u>5,000</u>	<u>5,000</u>	<u>4,461</u>	<u>539</u>
Bureau of Inspection				
Purchased services	92,082	98,350	98,007	343
Utilities	600	1,250	1,209	41
Total Bureau of Inspection	<u>92,682</u>	<u>99,600</u>	<u>99,216</u>	<u>384</u>
Auditor - BMV				
Personal services	323,249	323,249	300,815	22,434
Purchased services	22,345	20,345	86	20,259
Materials and supplies	2,275	2,275	1,461	814
Maintenance and repair	200	200	0	200
Utilities	4,032	6,032	6,021	11
Total Auditor - BMV	<u>352,101</u>	<u>352,101</u>	<u>308,383</u>	<u>43,718</u>

Continued

**Clermont County, Ohio**  
*Schedule of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Auditor - Tax Map				
Personal services	\$ 75,235	\$ 75,235	\$ 73,910	\$ 1,325
Purchased services	2,000	2,000	5	1,995
Materials and supplies	7,958	7,956	6,175	1,781
Maintenance and repair	12,322	12,322	12,322	0
Utilities	1,850	1,850	1,350	500
Total Auditor - Tax Map	<u>99,365</u>	<u>99,363</u>	<u>93,762</u>	<u>5,601</u>
Treasurer				
Personal services	536,969	536,969	504,268	32,701
Purchased services	148,109	113,299	41,715	71,584
Materials and supplies	70,769	69,507	65,944	3,563
Maintenance and repair	31,393	31,135	30,649	486
Utilities	9,456	8,325	8,045	280
Total Treasurer	<u>796,696</u>	<u>759,235</u>	<u>650,621</u>	<u>108,614</u>
Prosecuting Attorney				
Personal services	2,321,109	2,345,126	2,316,011	29,115
Purchased services	75,413	86,273	79,989	6,284
Materials and supplies	25,270	23,514	18,317	5,197
Maintenance and repair	13,791	11,686	10,976	710
Utilities	17,097	17,087	17,087	0
Total Prosecuting Attorney	<u>2,452,680</u>	<u>2,483,686</u>	<u>2,442,380</u>	<u>41,306</u>
Board of Elections				
Personal services	565,652	565,652	535,302	30,350
Purchased services	439,531	397,635	393,923	3,712
Materials and supplies	123,940	123,594	108,454	15,140
Maintenance and repair	14,182	51,100	40,295	10,805
Utilities	6,575	10,907	9,184	1,723
Total Board of Elections	<u>1,149,880</u>	<u>1,148,888</u>	<u>1,087,158</u>	<u>61,730</u>
Recorder				
Personal services	450,636	450,636	428,766	21,870
Purchased services	40,238	36,961	34,961	2,000
Materials and supplies	16,966	15,698	10,611	5,087
Maintenance and repair	9,180	9,029	6,516	2,513
Utilities	7,877	11,014	11,014	0
Total Recorder	<u>524,897</u>	<u>523,338</u>	<u>491,868</u>	<u>31,470</u>
Insurance, Health and Judgements				
Personal services	10,000	0	0	0
Purchased services	699,922	691,048	688,351	2,697
Total Insurance, Health and Judgements	<u>709,922</u>	<u>691,048</u>	<u>688,351</u>	<u>2,697</u>

Continued

**Clermont County, Ohio**  
*Schedule of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Legislative and Executive Grants				
Personal services	\$ 217,840	\$ 212,840	\$ 194,117	\$ 18,723
Purchased services	636,077	556,077	527,499	28,578
Material and supplies	0	1,281	1,281	0
Other expenditures	21,544	2,708	0	2,708
Capital outlay	224,000	257,309	257,133	176
Total Legislative and Executive Grants	<u>1,099,461</u>	<u>1,030,215</u>	<u>980,030</u>	<u>50,185</u>
Capital Purchases				
Material and supplies	274,664	223,567	211,987	11,580
Maintenance and repair	15,000	15,000	2,793	12,207
Capital outlay	687,531	771,475	743,848	27,627
Total Capital Purchases	<u>977,195</u>	<u>1,010,042</u>	<u>958,628</u>	<u>51,414</u>
Total legislative and executive	<u>16,279,901</u>	<u>16,169,202</u>	<u>15,547,785</u>	<u>621,417</u>
<b>Judicial</b>				
Court of Appeals				
Purchased services	<u>149,962</u>	<u>149,962</u>	<u>143,960</u>	<u>6,002</u>
Common Pleas Court				
Personal services	769,986	756,238	747,114	9,124
Purchased services	214,609	229,609	223,458	6,151
Materials and supplies	25,855	30,855	30,443	412
Maintenance and repair	10,925	10,925	10,636	289
Utilities	17,400	17,166	15,520	1,646
Total Common Pleas Court	<u>1,038,775</u>	<u>1,044,793</u>	<u>1,027,171</u>	<u>17,622</u>
Jury Commission				
Personal services	166,397	165,397	163,844	1,553
Purchased services	12,160	4,060	2,793	1,267
Materials and supplies	7,000	9,000	8,263	737
Maintenance and repair	1,551	3,651	3,598	53
Utilities	4,150	4,099	3,553	546
Total Jury Commission	<u>191,258</u>	<u>186,207</u>	<u>182,051</u>	<u>4,156</u>
Law Library				
Personal services	147,425	147,425	146,341	1,084
Utilities	585	541	41	500
Total Law Library	<u>148,010</u>	<u>147,966</u>	<u>146,382</u>	<u>1,584</u>
Domestic Relations Court				
Personal services	907,724	907,724	876,740	30,984
Purchased services	34,069	32,015	24,495	7,520
Materials and supplies	24,020	23,620	15,329	8,291
Maintenance and repair	6,203	6,203	1,787	4,416
Utilities	11,786	12,186	12,161	25
Total Domestic Relations Court	<u>983,802</u>	<u>981,748</u>	<u>930,512</u>	<u>51,236</u>

Continued

**Clermont County, Ohio**  
*Schedule of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Juvenile Court				
Personal services	\$ 1,172,958	\$ 1,157,958	\$ 1,124,588	\$ 33,370
Purchased services	122,885	135,888	135,572	316
Materials and supplies	47,709	47,358	46,836	522
Maintenance and repair	7,250	6,820	6,509	311
Utilities	16,605	14,115	14,087	28
Total Juvenile Court	<u>1,367,407</u>	<u>1,362,139</u>	<u>1,327,592</u>	<u>34,547</u>
Probate Court				
Personal services	315,274	315,274	310,928	4,346
Purchased services	25,000	24,925	23,819	1,106
Materials and supplies	9,235	9,006	8,959	47
Maintenance and repair	3,099	3,099	2,926	173
Utilities	4,540	4,695	4,695	0
Total Probate Court	<u>357,148</u>	<u>356,999</u>	<u>351,327</u>	<u>5,672</u>
Clerk - Common Pleas Court				
Personal services	776,660	776,660	762,835	13,825
Purchased services	73,416	56,383	52,446	3,937
Materials and supplies	108,713	122,596	122,198	398
Maintenance and repair	8,956	8,548	8,323	225
Utilities	11,623	12,192	12,192	0
Total Clerk - Common Pleas Court	<u>979,368</u>	<u>976,379</u>	<u>957,994</u>	<u>18,385</u>
Clerk - Municipal Court				
Personal services	1,171,968	1,229,942	1,185,042	44,900
Purchased services	27,265	24,505	24,459	46
Materials and supplies	89,520	90,073	89,994	79
Maintenance and repair	4,093	4,306	4,060	246
Utilities	14,736	14,920	14,920	0
Other expenditures	0	200	200	0
Total Clerk - Municipal Court	<u>1,307,582</u>	<u>1,363,946</u>	<u>1,318,675</u>	<u>45,271</u>
Public Defender				
Personal services	1,118,349	1,146,192	1,129,426	16,766
Purchased services	32,151	31,390	29,608	1,782
Materials and supplies	7,590	7,505	6,450	1,055
Maintenance and repair	2,112	2,112	1,648	464
Utilities	10,251	10,251	10,251	0
Other expenditures	1,000	2,000	1,115	885
Total Public Defender	<u>1,171,453</u>	<u>1,199,450</u>	<u>1,178,498</u>	<u>20,952</u>
Municipal Court				
Personal services	901,070	907,408	904,866	2,542
Purchased services	36,663	41,972	41,842	130
Materials and supplies	13,832	13,323	12,981	342
Maintenance and repair	5,239	4,494	4,494	0
Utilities	15,583	15,542	15,542	0
Total Municipal Court	<u>972,387</u>	<u>982,739</u>	<u>979,725</u>	<u>3,014</u>

Continued

**Clermont County, Ohio**  
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**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
DUI Court				
Personal services	\$ 90,350	\$ 78,350	\$ 71,193	\$ 7,157
Purchased services	10,550	23,550	23,543	7
Materials and supplies	8,114	41,353	40,353	1,000
Total DUI Court	109,014	143,253	135,089	8,164
Judicial Grants				
Other expenditures	100	100	45	55
Total judicial	8,776,266	8,895,681	8,679,021	216,660
<b>Public safety</b>				
Communications Center				
Personal services	1,489,643	1,429,374	1,230,806	198,568
Purchased services	308,570	280,614	277,152	3,462
Materials and supplies	38,914	30,563	27,776	2,787
Maintenance and repair	665,111	644,940	644,798	142
Utilities	93,771	70,719	70,719	0
Total Communications Center	2,596,009	2,456,210	2,251,251	204,959
Building Inspection/Permit Central				
Personal services	1,107,158	1,107,158	1,013,678	93,480
Purchased services	94,048	85,605	79,560	6,045
Materials and supplies	59,987	54,663	54,153	510
Maintenance and repair	24,494	31,994	27,452	4,542
Utilities	16,365	15,059	13,457	1,602
Other expenditures	3,000	3,000	2,027	973
Total Building Inspection/Permit Central	1,305,052	1,297,479	1,190,327	107,152
County Coroner				
Personal services	153,870	153,870	149,487	4,383
Purchased services	126,901	139,347	139,344	3
Materials and supplies	4,560	5,179	5,175	4
Maintenance and repair	1,013	1,013	1,001	12
Utilities	3,181	3,295	3,295	0
Total County Coroner	289,525	302,704	298,302	4,402
Adult Probation				
Personal services	806,377	806,377	788,085	18,292
Purchased services	15,700	13,700	13,125	575
Materials and supplies	21,667	23,666	23,666	0
Maintenance and repair	7,169	7,169	5,927	1,242
Utilities	20,379	20,379	20,379	0
Total Adult Probation	871,292	871,291	851,182	20,109

Continued

**Clermont County, Ohio**  
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**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Juvenile Detention				
Personal services	\$ 1,190,932	\$ 1,190,932	\$ 1,165,039	\$ 25,893
Purchased services	25,992	22,142	14,216	7,926
Materials and supplies	67,031	66,658	66,648	10
Maintenance and repair	18,870	14,040	12,728	1,312
Utilities	10,500	11,000	11,000	0
Total Juvenile Detention	<u>1,313,325</u>	<u>1,304,772</u>	<u>1,269,631</u>	<u>35,141</u>
Juvenile Probation				
Personal services	410,682	410,682	372,822	37,860
Purchased services	5,205	3,680	1,135	2,545
Materials and supplies	8,703	9,065	7,994	1,071
Maintenance and repair	3,092	3,750	3,711	39
Utilities	6,441	5,959	5,403	556
Total Juvenile Probation	<u>434,123</u>	<u>433,136</u>	<u>391,065</u>	<u>42,071</u>
Sheriff				
Personal services	6,982,900	7,133,436	7,048,259	85,177
Purchased services	96,773	83,968	81,064	2,904
Materials and supplies	336,720	389,837	388,329	1,508
Maintenance and repair	189,819	187,221	184,750	2,471
Utilities	67,566	62,732	62,425	307
Total Sheriff	<u>7,673,778</u>	<u>7,857,194</u>	<u>7,764,827</u>	<u>92,367</u>
Adult Detention				
Personal services	5,735,347	5,597,497	5,498,215	99,282
Purchased services	759,812	755,242	732,773	22,469
Materials and supplies	546,403	583,696	581,425	2,271
Maintenance and repair	27,144	18,144	18,140	4
Utilities	24,185	27,476	27,456	20
Total Adult Detention	<u>7,092,891</u>	<u>6,982,055</u>	<u>6,858,009</u>	<u>124,046</u>
Municipal Court Adult Probation				
Personal services	661,393	657,693	603,427	54,266
Purchased services	2,526	2,526	2,526	0
Materials and supplies	1,963	1,809	1,676	133
Maintenance and repair	2,000	2,000	1,981	19
Utilities	12,635	16,335	16,065	270
Total Municipal Court Adult Probation	<u>680,517</u>	<u>680,363</u>	<u>625,675</u>	<u>54,688</u>
Public Safety Grants				
Purchased services	<u>520,163</u>	<u>501,465</u>	<u>128,335</u>	<u>373,130</u>
Total public safety	<u>22,776,675</u>	<u>22,686,669</u>	<u>21,628,604</u>	<u>1,058,065</u>

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**Clermont County, Ohio**  
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**General Fund - (Continued)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Health</b>				
Tuberculosis Clinic				
Purchased services	\$ 41,516	\$ 41,516	\$ 41,516	\$ 0
Other Health				
Purchased services	464,834	322,835	308,026	14,809
Total health	506,350	364,351	349,542	14,809
<b>Human services</b>				
Veterans Service Commission				
Personal services	303,457	303,457	296,932	6,525
Purchased services	737,109	775,838	775,828	10
Materials and supplies	44,110	37,966	37,966	0
Maintenance and repair	4,657	3,328	3,328	0
Utilities	7,233	5,977	5,977	0
Capital outlay	31,500	0	0	0
Total Veterans Service Commission	1,128,066	1,126,566	1,120,031	6,535
Human Services Grants				
Purchased services	37,558	37,558	37,558	0
Total human services	1,165,624	1,164,124	1,157,589	6,535
<b>Community development</b>				
Community Planning & Development				
Personal services	295,260	295,260	278,176	17,084
Purchased services	59,450	21,620	13,417	8,203
Materials and supplies	13,007	13,250	13,128	122
Maintenance and repair	4,737	4,737	3,676	1,061
Utilities	4,361	4,249	4,249	0
Total Community Planning & Development	376,815	339,116	312,646	26,470
Planning Commission				
Purchased services	4,350	2,850	2,565	285
Total community development	381,165	341,966	315,211	26,755
<b>Economic development</b>				
Economic Development				
Personal services	218,673	218,673	207,053	11,620
Purchased services	628,153	799,490	775,962	23,528
Materials and supplies	7,579	14,853	14,223	630
Maintenance and repair	0	300	227	73
Utilities	2,734	4,393	3,578	815
Capital Outlay	7,892,400	8,031,917	8,030,124	1,793
Total economic development	8,749,539	9,069,626	9,031,167	38,459

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**Clermont County, Ohio**  
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**General Fund - (Continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive(Negative)</u>
Total expenditures	\$ 58,635,520	\$ 58,691,619	\$ 56,708,919	\$ 1,982,700
(Deficiency) of revenues (under) expenditures	<u>(6,107,053)</u>	<u>(6,109,870)</u>	<u>(2,298,532)</u>	<u>3,811,338</u>
Other financing sources (uses):				
Operating transfers in	0	0	50,165	50,165
Operating transfers (out)	(5,060,001)	(5,048,833)	(4,085,439)	963,394
Advances in	400,000	400,000	155,155	(244,845)
Advances (out)	(420,000)	(420,000)	(393,718)	26,282
Proceeds from the sale of capital assets	<u>2,045,500</u>	<u>2,045,500</u>	<u>1,020,429</u>	<u>(1,025,071)</u>
Total other financing sources (uses)	<u>(3,034,501)</u>	<u>(3,023,333)</u>	<u>(3,253,408)</u>	<u>(230,075)</u>
Net Change in fund balance	(9,141,554)	(9,133,203)	(5,551,940)	3,581,263
Fund balance at beginning of year	15,134,846	15,134,846	15,134,846	0
Prior year encumbrances appropriated	<u>9,247,514</u>	<u>9,247,514</u>	<u>9,247,514</u>	<u>0</u>
Fund balance at end of year	<u>\$ 15,240,806</u>	<u>\$ 15,249,157</u>	<u>\$ 18,830,420</u>	<u>\$ 3,581,263</u>

**Clermont County, Ohio**  
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**Social Services - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Taxes	\$ 6,240,880	\$ 6,240,880	\$ 6,216,687	\$ (24,193)
Charges for services	930,350	930,350	931,922	1,572
Licenses and permits	56,000	56,000	47,427	(8,573)
Intergovernmental	24,587,296	24,987,296	24,260,460	(726,836)
Other revenues	5,702,940	6,639,641	6,455,004	(184,637)
Total revenues	<u>37,517,466</u>	<u>38,854,167</u>	<u>37,911,500</u>	<u>(942,667)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Human services:</b>				
Personal services	12,359,232	12,073,850	10,570,957	1,502,893
Purchased services	21,121,683	21,738,941	21,024,769	714,172
Materials and supplies	467,230	502,081	400,911	101,170
Maintenance and repair	93,450	87,783	57,675	30,108
Utilities	163,886	151,352	150,939	413
Capital outlay	256,074	126,016	118,930	7,086
Other expenditures	5,036,540	10,522,408	10,318,797	203,611
Total expenditures	<u>39,498,095</u>	<u>45,202,431</u>	<u>42,642,978</u>	<u>2,559,453</u>
(Deficiency) of revenues (under) expenditures	<u>(1,980,629)</u>	<u>(6,348,264)</u>	<u>(4,731,478)</u>	<u>1,616,786</u>
<b>Other financing sources(uses):</b>				
Operating transfers in	1,171,620	524,229	893,745	369,516
Proceeds from the sale of capital assets	1,000	1,000	8	(992)
Total other financing sources (uses)	<u>1,172,620</u>	<u>525,229</u>	<u>893,753</u>	<u>368,524</u>
Net change in fund balance	(808,009)	(5,823,035)	(3,837,725)	1,985,310
Fund balance at beginning of year	6,770,723	6,770,723	6,770,723	0
Prior year encumbrances appropriated	796,182	796,182	796,182	0
Fund balance at end of year	<u>\$ 6,758,896</u>	<u>\$ 1,743,870</u>	<u>\$ 3,729,180</u>	<u>\$ 1,985,310</u>

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**Motor Vehicle and Gas Tax - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Taxes	\$ 2,125,000	\$ 2,125,000	\$ 2,299,456	\$ 174,456
Charges for services	260,200	260,200	263,820	3,620
Licenses and permits	43,000	43,000	32,730	(10,270)
Fines and forfeitures	190,000	190,000	183,279	(6,721)
Intergovernmental	6,765,000	8,549,783	7,756,361	(793,422)
Special assessments	20,000	20,000	21,864	1,864
Investment earnings	90,000	90,000	158,085	68,085
Other revenues	<u>40,200</u>	<u>1,081,170</u>	<u>1,272,327</u>	<u>191,157</u>
Total revenues	<u>9,533,400</u>	<u>12,359,153</u>	<u>11,987,922</u>	<u>(371,231)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public works:</b>				
Personal services	4,063,327	4,070,327	3,830,816	239,511
Purchased services	690,972	640,961	568,384	72,577
Materials and supplies	1,633,774	1,663,842	1,659,910	3,932
Maintenance and repair	560,689	516,420	476,099	40,321
Utilities	125,274	123,309	123,279	30
Capital outlay	4,616,843	7,852,247	7,805,918	46,329
Other expenditures	<u>2,250</u>	<u>2,250</u>	<u>2,050</u>	<u>200</u>
Total expenditures	<u>11,693,129</u>	<u>14,869,356</u>	<u>14,466,456</u>	<u>402,900</u>
(Deficiency) of revenues (under) expenditures	<u>(2,159,729)</u>	<u>(2,510,203)</u>	<u>(2,478,534)</u>	<u>31,669</u>
<b>Other financing sources(uses):</b>				
Proceeds from OPWC loan	0	1,001,305	1,001,305	0
Operating transfer in	1,000	1,000	0	(1,000)
Operating transfers (out)	(18,000)	(70,565)	(67,941)	2,624
Proceeds from the sale of capital assets	<u>5,000</u>	<u>5,000</u>	<u>0</u>	<u>(5,000)</u>
Total other financing sources (uses)	<u>(12,000)</u>	<u>936,740</u>	<u>933,364</u>	<u>(3,376)</u>
Net change in fund balance	(2,171,729)	(1,573,463)	(1,545,170)	28,293
Fund balance at beginning of year	1,431,004	1,431,004	1,431,004	0
Prior year encumbrances appropriated	<u>1,257,952</u>	<u>1,257,952</u>	<u>1,257,952</u>	<u>0</u>
Fund balance at end of year	<u>\$ 517,227</u>	<u>\$ 1,115,493</u>	<u>\$ 1,143,786</u>	<u>\$ 28,293</u>

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**Special Assessment - Debt Service Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Revenues:				
Special assessments	\$ 856,727	\$ 856,727	\$ 707,104	\$ (149,623)
Total revenues	<u>856,727</u>	<u>856,727</u>	<u>707,104</u>	<u>(149,623)</u>
Expenditures:				
Debt service:				
Principal retirement	521,000	521,000	521,000	0
Interest and fiscal charges	<u>329,518</u>	<u>329,518</u>	<u>314,704</u>	<u>14,814</u>
Total expenditures	<u>850,518</u>	<u>850,518</u>	<u>835,704</u>	<u>14,814</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,209</u>	<u>6,209</u>	<u>(128,600)</u>	<u>(134,809)</u>
Other financing sources:				
Operating transfers in	0	0	65,365	65,365
Advances in	<u>0</u>	<u>0</u>	<u>51,581</u>	<u>51,581</u>
Total other financing sources	<u>0</u>	<u>0</u>	<u>116,946</u>	<u>116,946</u>
Net change in fund balance	6,209	6,209	(11,654)	(17,863)
Fund balance at beginning of year	<u>270,700</u>	<u>270,700</u>	<u>270,700</u>	<u>0</u>
Fund balance at end of year	<u>\$ 276,909</u>	<u>\$ 276,909</u>	<u>\$ 259,046</u>	<u>\$ (17,863)</u>

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**County Capital Improvement - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Taxes	\$ 3,741,132	\$ 3,741,132	\$ 3,842,397	\$ 101,265
Charges for services	5,000	5,000	1,193	(3,807)
Intergovernmental	733,186	733,186	738,783	5,597
Other revenues	366,000	366,000	361,597	(4,403)
Total revenues	<u>4,845,318</u>	<u>4,845,318</u>	<u>4,943,970</u>	<u>98,652</u>
<b>Expenditures:</b>				
Purchased services	392,402	404,107	399,172	4,935
Materials and supplies	135,311	134,294	49,837	84,457
Maintenance and repair	21,950	21,950	8,237	13,713
Capital outlay	<u>1,275,274</u>	<u>1,185,437</u>	<u>772,737</u>	<u>412,700</u>
Total expenditures	<u>1,824,937</u>	<u>1,745,788</u>	<u>1,229,983</u>	<u>515,805</u>
Excess of revenues over expenditures	<u>3,020,381</u>	<u>3,099,530</u>	<u>3,713,987</u>	<u>614,457</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	240,950	240,950	272,450	31,500
Operating transfers (out)	<u>(4,247,535)</u>	<u>(4,247,535)</u>	<u>(3,663,735)</u>	<u>583,800</u>
Total other financing sources (uses)	<u>(4,006,585)</u>	<u>(4,006,585)</u>	<u>(3,391,285)</u>	<u>615,300</u>
Net change in fund balance	(986,204)	(907,055)	322,702	1,229,757
Fund balance at beginning of year	3,973,490	3,973,490	3,973,490	0
Prior year encumbrances appropriated	<u>676,937</u>	<u>676,937</u>	<u>676,937</u>	<u>0</u>
Fund balance at end of year	<u>\$ 3,664,223</u>	<u>\$ 3,743,372</u>	<u>\$ 4,973,129</u>	<u>\$ 1,229,757</u>

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**Health and Solid Waste District - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Charges for services	\$ 331,500	\$ 331,500	\$ 331,213	\$ (287)
Licenses and permits	240,000	240,000	251,474	11,474
Fines and forfeitures	40,000	40,000	38,074	(1,926)
Intergovernmental	0	0	17,942	17,942
Other revenues	25	25	1,145	1,120
<b>Total revenues</b>	<b>611,525</b>	<b>611,525</b>	<b>639,848</b>	<b>28,323</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Health:</b>				
Personal services	114,424	114,424	70,196	44,228
Purchased services	547,269	677,025	603,053	73,972
Materials and supplies	69,944	29,445	23,013	6,432
Maintenance and repair	40,652	40,521	9,649	30,872
Utilities	18,241	17,721	15,311	2,410
Capital outlay	50,000	50,000	0	50,000
<b>Total expenditures</b>	<b>840,530</b>	<b>929,136</b>	<b>721,222</b>	<b>207,914</b>
Net change in fund balance	(229,005)	(317,611)	(81,374)	236,237
Fund balance at beginning of year	785,660	785,660	785,660	0
Prior year encumbrances appropriated	63,122	63,122	63,122	0
<b>Fund balance at end of year</b>	<b>\$ 619,777</b>	<b>\$ 531,171</b>	<b>\$ 767,408</b>	<b>\$ 236,237</b>

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**Real Estate Assessment - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Taxes	\$ 435,000	\$ 487,874	\$ 487,874	\$ 0
Charges for services	2,240,500	2,240,500	2,331,949	91,449
Licenses and permits	0	0	375	375
Investment earnings	10,000	10,000	38,853	28,853
<b>Total revenues</b>	<b>2,685,500</b>	<b>2,738,374</b>	<b>2,859,051</b>	<b>120,677</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
<b>Legislative and executive</b>				
Personal services	1,282,603	1,307,603	1,249,771	57,832
Purchased services	1,058,712	2,382,825	2,204,323	178,502
Materials and supplies	191,117	181,418	97,007	84,411
Maintenance and repair	103,725	97,499	67,955	29,544
Utilities	20,289	18,808	16,808	2,000
Capital outlay	55,000	55,000	2,283	52,717
<b>Total expenditures</b>	<b>2,711,446</b>	<b>4,043,153</b>	<b>3,638,147</b>	<b>405,006</b>
Net change in fund balance	(25,946)	(1,304,779)	(779,096)	525,683
Fund balance at beginning of year	3,344,436	3,344,436	3,344,436	0
Prior year encumbrances appropriated	285,393	285,393	285,393	0
<b>Fund balance at end of year</b>	<b>\$ 3,603,883</b>	<b>\$ 2,325,050</b>	<b>\$ 2,850,733</b>	<b>\$ 525,683</b>



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**Other Legislative - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Charges for services	\$ 1,079,000	\$ 1,079,000	\$ 1,008,038	\$ (70,962)
Total revenues	1,079,000	1,079,000	1,008,038	(70,962)
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General Government:</b>				
<b>Legislative and Executive:</b>				
Personal services	755,554	755,554	703,269	52,285
Purchased services	497,602	433,485	373,092	60,393
Materials and supplies	94,699	92,006	48,595	43,411
Maintenance and repair	19,738	11,765	10,461	1,304
Utilities	54,400	54,113	19,356	34,757
Capital outlay	30,000	30,000	0	30,000
Total expenditures	1,451,993	1,376,923	1,154,773	222,150
(Deficiency) of revenues (under) expenditures	(372,993)	(297,923)	(146,735)	151,188
<b>Other financing sources (uses):</b>				
Operating transfers in	50,000	50,000	50,000	0
Operating transfers (out)	0	(50,000)	(50,000)	0
Total other financing sources (uses)	50,000	0	0	0
Net change in fund balance	(322,993)	(297,923)	(146,735)	151,188
Fund balance at beginning of year	787,663	787,663	787,663	0
Prior year encumbrances appropriated	114,833	114,833	114,833	0
Fund balance at end of year	\$ 579,503	\$ 604,573	\$ 755,761	\$ 151,188

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**Public Safety - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Charges for services	\$ 198,500	\$ 198,500	\$ 182,816	\$ (15,684)
Licenses and permits	55,000	55,000	51,279	(3,721)
Fines and forfeitures	197,000	197,000	113,837	(83,163)
Intergovernmental	3,121,281	3,404,819	3,083,130	(321,689)
Investment earnings	5,903	5,903	6,750	847
Other revenues	17,300	84,300	72,289	(12,011)
<b>Total revenues</b>	<b>3,594,984</b>	<b>3,945,522</b>	<b>3,510,101</b>	<b>(435,421)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public Safety:</b>				
Personal services	2,406,751	2,456,629	2,302,131	154,498
Purchased services	1,342,693	1,484,592	1,286,416	198,176
Materials and supplies	228,502	371,093	290,241	80,852
Maintenance and repair	75,566	69,436	47,893	21,543
Utilities	80,291	69,413	55,851	13,562
Capital outlay	257,500	457,593	289,331	168,262
Other expenditures	0	945	945	0
<b>Total expenditures</b>	<b>4,391,303</b>	<b>4,909,701</b>	<b>4,272,808</b>	<b>636,893</b>
<b>(Deficiency) of revenues (under) expenditures</b>	<b>(796,319)</b>	<b>(964,179)</b>	<b>(762,707)</b>	<b>201,472</b>
<b>Other financing sources(uses):</b>				
Operating transfers in	379,244	379,244	405,792	26,548
Operating transfers (out)	0	(26,713)	(26,713)	0
Advances (out)	(19,000)	(19,000)	(19,000)	0
Proceeds from the sale of capital assets	0	0	6	6
<b>Total other financing sources (uses)</b>	<b>360,244</b>	<b>333,531</b>	<b>360,085</b>	<b>26,554</b>
<b>Net change in fund balance</b>	<b>(436,075)</b>	<b>(630,648)</b>	<b>(402,622)</b>	<b>228,026</b>
Fund balance at beginning of year	3,474,405	3,474,405	3,474,405	0
Prior year encumbrances appropriated	129,173	129,173	129,173	0
<b>Fund balance at end of year</b>	<b>\$ 3,167,503</b>	<b>\$ 2,972,930</b>	<b>\$ 3,200,956</b>	<b>\$ 228,026</b>

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**Community Transportation - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Charges for services	\$ 843,744	\$ 920,956	\$ 997,353	\$ 76,397
Intergovernmental	589,627	589,627	623,052	33,425
Other revenues	12,000	12,000	16,822	4,822
Total revenues	<u>1,445,371</u>	<u>1,522,583</u>	<u>1,637,227</u>	<u>114,644</u>
<b>Expenditures:</b>				
Current:				
Transportation:				
Personal services	607,087	587,087	569,713	17,374
Purchased services	724,715	772,239	764,948	7,291
Materials and supplies	127,409	152,124	137,788	14,336
Maintenance and repair	104,958	116,986	92,698	24,288
Utilities	13,312	13,202	10,974	2,228
Total expenditures	<u>1,577,481</u>	<u>1,641,638</u>	<u>1,576,121</u>	<u>65,517</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(132,110)</u>	<u>(119,055)</u>	<u>61,106</u>	<u>180,161</u>
<b>Other financing sources:</b>				
Proceeds from the sale of capital assets	10,000	10,000	0	(10,000)
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>0</u>	<u>(10,000)</u>
Net change in fund balance	(122,110)	(109,055)	61,106	170,161
Fund balance at beginning of year	151,046	151,046	151,046	0
Prior year encumbrances appropriated	70,639	70,639	70,639	0
Fund balance at end of year	<u>\$ 99,575</u>	<u>\$ 112,630</u>	<u>\$ 282,791</u>	<u>\$ 170,161</u>

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**Judicial Programs - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Charges for services	\$ 52,000	\$ 52,000	\$ 289,652	\$ 237,652
Intergovernmental	326,740	336,250	161,746	(174,504)
Other revenues	4,000	4,000	7,900	3,900
Total revenues	<u>382,740</u>	<u>392,250</u>	<u>459,298</u>	<u>67,048</u>
<b>Expenditures:</b>				
Current:				
General government:				
Judicial:				
Personal services	316,297	317,577	312,801	4,776
Purchased services	77,950	77,400	29,156	48,244
Materials and supplies	68,022	73,281	16,412	56,869
Maintenance and repair	6,108	6,108	623	5,485
Utilities	11,620	11,720	5,274	6,446
Other expenditures	0	141	141	0
Total expenditures	<u>479,997</u>	<u>486,227</u>	<u>364,407</u>	<u>121,820</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(97,257)</u>	<u>(93,977)</u>	<u>94,891</u>	<u>188,868</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	139,218	139,218	139,218	0
Advances out	0	(3,400)	(3,400)	0
Proceeds from the sale of capital assets	0	0	5	5
Total other financing sources (uses)	<u>139,218</u>	<u>135,818</u>	<u>135,823</u>	<u>5</u>
Net change in fund balance	41,961	41,841	230,714	188,873
Fund balance at beginning of year	93,531	93,531	93,531	0
Prior year encumbrances appropriated	725	725	725	0
Fund balance at end of year	<u>\$ 136,217</u>	<u>\$ 136,097</u>	<u>\$ 324,970</u>	<u>\$ 188,873</u>

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**Community Development - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Charges for services	\$ 0	\$ 0	\$ 1,540	\$ 1,540
Intergovernmental	1,658,862	1,722,145	1,223,034	(499,111)
Investment earnings	220	220	422	202
Total revenues	<u>1,659,082</u>	<u>1,722,365</u>	<u>1,224,996</u>	<u>(497,369)</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Community development:</b>				
Personal services	94,487	94,487	91,763	2,724
Purchased services	425,190	332,914	331,948	966
Materials and supplies	20,000	20,000	12,664	7,336
Capital outlay	914,701	1,094,701	920,813	173,888
Total expenditures	<u>1,454,378</u>	<u>1,542,102</u>	<u>1,357,188</u>	<u>184,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>204,704</u>	<u>180,263</u>	<u>(132,192)</u>	<u>(312,455)</u>
<b>Other financing (uses):</b>				
Advances (out)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Total other financing (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>0</u>
Net change in fund balance	154,704	130,263	(182,192)	(312,455)
Fund balance at beginning of year	67,227	67,227	67,227	0
Prior year encumbrances appropriated	41,902	41,902	41,902	0
Fund balance(deficit) at end of year	<u>\$ 263,833</u>	<u>\$ 239,392</u>	<u>\$ (73,063)</u>	<u>\$ (312,455)</u>

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**Computer Legal Research - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Revenues:				
Charges for services	\$ 473,400	\$ 473,400	\$ 305,936	\$ (167,464)
Total revenues	<u>473,400</u>	<u>473,400</u>	<u>305,936</u>	<u>(167,464)</u>
Expenditures:				
Current:				
General government:				
Judicial:				
Personal services	216,125	156,081	80,589	75,492
Purchased services	21,500	45,500	33,563	11,937
Materials and supplies	84,150	75,518	48,959	26,559
Maintenance and repair	118,426	123,990	74,791	49,199
Utilities	7,000	7,000	1,658	5,342
Capital outlay	10,000	10,000	0	10,000
Other expenditures	<u>334,000</u>	<u>334,000</u>	<u>223,333</u>	<u>110,667</u>
Total expenditures	<u>791,201</u>	<u>752,089</u>	<u>462,893</u>	<u>289,196</u>
(Deficiency) of revenues (under) expenditures	<u>(317,801)</u>	<u>(278,689)</u>	<u>(156,957)</u>	<u>121,732</u>
Other financing sources:				
Proceeds from the sale of capital assets	<u>0</u>	<u>0</u>	<u>31</u>	<u>31</u>
Total other financing sources	<u>0</u>	<u>0</u>	<u>31</u>	<u>31</u>
Net change in fund balance	(317,801)	(278,689)	(156,926)	121,763
Fund balance at beginning of year	687,533	687,533	687,533	0
Prior year encumbrances appropriated	<u>7,076</u>	<u>7,076</u>	<u>7,076</u>	<u>0</u>
Fund balance at end of year	<u>\$ 376,808</u>	<u>\$ 415,920</u>	<u>\$ 537,683</u>	<u>\$ 121,763</u>

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**Storm Water - Special Revenue Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Charges for services	\$ 0	\$ 0	\$ 1,410	\$ 1,410
Licenses and permits	5,000	5,000	0	(5,000)
Other revenues	0	0	9,824	9,824
<b>Total revenues</b>	<b>5,000</b>	<b>5,000</b>	<b>11,234</b>	<b>6,234</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Public works:</b>				
Personal services	165,000	172,495	143,425	29,070
Purchased services	461,890	454,395	320,199	134,196
Materials and supplies	10,222	10,032	2,969	7,063
Maintenance and repair	5,000	195,000	181,936	13,064
Utilities	5,291	5,231	1,731	3,500
Capital outlay	212,778	22,778	12,778	10,000
<b>Total expenditures</b>	<b>860,181</b>	<b>859,931</b>	<b>663,038</b>	<b>196,893</b>
(Deficiency) of revenues (under) expenditures	(855,181)	(854,931)	(651,804)	203,127
<b>Other financing sources:</b>				
Advances in	745,000	745,000	250,000	(495,000)
<b>Total other financing sources</b>	<b>745,000</b>	<b>745,000</b>	<b>250,000</b>	<b>(495,000)</b>
Net change in fund balance	(110,181)	(109,931)	(401,804)	(291,873)
Fund balance at beginning of year	295,169	295,169	295,169	0
Prior year encumbrances appropriated	110,181	110,181	110,181	0
<b>Fund balance at end of year</b>	<b>\$ 295,169</b>	<b>\$ 295,419</b>	<b>\$ 3,546</b>	<b>\$ (291,873)</b>

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**County Debt Service Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Revenues				
Special assessments	\$ 433,650	\$ 433,650	\$ 448,684	\$ 15,034
Total revenues	<u>433,650</u>	<u>433,650</u>	<u>448,684</u>	<u>15,034</u>
Expenditures:				
Debt service:				
Principal retirement	3,602,941	3,602,941	3,602,941	0
Interest and fiscal charges	<u>952,258</u>	<u>1,002,323</u>	<u>1,001,480</u>	<u>843</u>
Total expenditures	<u>4,555,199</u>	<u>4,605,264</u>	<u>4,604,421</u>	<u>843</u>
(Deficiency) of revenues (under) expenditures	<u>(4,121,549)</u>	<u>(4,171,614)</u>	<u>(4,155,737)</u>	<u>15,877</u>
Other financing sources:				
Operating transfers in	<u>4,119,818</u>	<u>4,169,883</u>	<u>4,169,879</u>	<u>(4)</u>
Total other financing sources	<u>4,119,818</u>	<u>4,169,883</u>	<u>4,169,879</u>	<u>(4)</u>
Net change in fund balance	(1,731)	(1,731)	14,142	15,873
Fund balance at beginning of year	<u>162,553</u>	<u>162,553</u>	<u>162,553</u>	<u>0</u>
Fund balance at end of year	<u>\$ 160,822</u>	<u>\$ 160,822</u>	<u>\$ 176,695</u>	<u>\$ 15,873</u>



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**Public Safety Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Revenues:				
Intergovernmental	\$ 1,776,563	\$ 1,776,563	\$ 1,812,365	\$ 35,802
Total revenues	<u>1,776,563</u>	<u>1,776,563</u>	<u>1,812,365</u>	<u>35,802</u>
Expenditures:				
Materials and supplies	120,000	114,500	51,083	63,417
Maintenance and repair	20,000	25,500	5,425	20,075
Capital outlay	<u>3,192,786</u>	<u>3,170,328</u>	<u>2,638,822</u>	<u>531,506</u>
Total expenditures	<u>3,332,786</u>	<u>3,310,328</u>	<u>2,695,330</u>	<u>614,998</u>
(Deficiency) of revenues (under) expenditures	<u>(1,556,223)</u>	<u>(1,533,765)</u>	<u>(882,965)</u>	<u>650,800</u>
Other financing sources:				
Operating transfers in	<u>393,520</u>	<u>393,520</u>	<u>393,520</u>	<u>0</u>
Total other financing sources	<u>393,520</u>	<u>393,520</u>	<u>393,520</u>	<u>0</u>
Net change in fund balance	(1,162,703)	(1,140,245)	(489,445)	650,800
Fund balance at beginning of year	3,018,166	3,018,166	3,018,166	0
Prior year encumbrances appropriated	<u>2,534,786</u>	<u>2,534,786</u>	<u>2,534,786</u>	<u>0</u>
Fund balance at end of year	<u>\$ 4,390,249</u>	<u>\$ 4,412,707</u>	<u>\$ 5,063,507</u>	<u>\$ 650,800</u>

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**Social Services Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Revenues	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures:				
Materials and supplies	21,489	21,489	7,493	13,996
Maintenance and repair	50,000	50,000	2,850	47,150
Capital outlay	<u>201,510</u>	<u>201,510</u>	<u>145,109</u>	<u>56,401</u>
Total expenditures	<u>272,999</u>	<u>272,999</u>	<u>155,452</u>	<u>117,547</u>
(Deficiency) of revenues (under) expenditures	<u>(272,999)</u>	<u>(272,999)</u>	<u>(155,452)</u>	<u>117,547</u>
Other financing sources:				
Operating transfers in	<u>97,600</u>	<u>97,600</u>	<u>97,600</u>	<u>0</u>
Total other financing sources	<u>97,600</u>	<u>97,600</u>	<u>97,600</u>	<u>0</u>
Net change in fund balance	(175,399)	(175,399)	(57,852)	117,547
Fund balance at beginning of year	1,136,721	1,136,721	1,136,721	0
Prior year encumbrances appropriated	<u>2,999</u>	<u>2,999</u>	<u>2,999</u>	<u>0</u>
Fund balance at end of year	<u>\$ 964,321</u>	<u>\$ 964,321</u>	<u>\$ 1,081,868</u>	<u>\$ 117,547</u>

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**Communication Center Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 0	\$ (40,000)
Other Revenue	0	0	43,720	43,720
Total revenues	40,000	40,000	43,720	3,720
Expenditures:				
Purchased services	2,000	2,000	0	2,000
Materials and supplies	112,696	112,670	9,332	103,338
Capital outlay	1,047,840	1,047,840	518,034	529,806
Total expenditures	1,162,536	1,162,510	527,366	635,144
(Deficiency) of revenues (under) expenditures	(1,122,536)	(1,122,510)	(483,646)	638,864
Other financing sources:				
Operating transfers in	1,083,300	1,083,300	513,300	(570,000)
Proceeds from the sale of capital assets	0	0	33	33
Total other financing sources	1,083,300	1,083,300	513,333	(569,967)
Net change in fund balance	(39,236)	(39,210)	29,687	68,897
Fund balance at beginning of year	1,307,126	1,307,126	1,307,126	0
Prior year encumbrances appropriated	15,483	15,483	15,483	0
Fund balance at end of year	\$ 1,283,373	\$ 1,283,399	\$ 1,352,296	\$ 68,897

**Clermont County, Ohio**  
*Schedule of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**Judicial Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
Revenues:				
Investment earnings	\$ 0	\$ 0	\$ 2,358	\$ 2,358
Total revenues	<u>0</u>	<u>0</u>	<u>2,358</u>	<u>2,358</u>
Expenditures:				
Purchased services	24,094	23,594	15,222	8,372
Materials and supplies	112,531	116,030	33,690	82,340
Maintenance and repair	0	32,000	21,080	10,920
Capital outlay	1,673,494	1,703,453	1,423,557	279,896
Total expenditures	<u>1,810,119</u>	<u>1,875,077</u>	<u>1,493,549</u>	<u>381,528</u>
(Deficiency) of revenues (under) expenditures	<u>(1,810,119)</u>	<u>(1,875,077)</u>	<u>(1,491,191)</u>	<u>383,886</u>
Other financing sources:				
Operating transfers in	<u>339,900</u>	<u>339,900</u>	<u>339,900</u>	<u>0</u>
Total other financing sources	<u>339,900</u>	<u>339,900</u>	<u>339,900</u>	<u>0</u>
Net change in fund balance	(1,470,219)	(1,535,177)	(1,151,291)	383,886
Fund balance at beginning of year	1,647,235	1,647,235	1,647,235	
Prior year encumbrances appropriated	<u>1,040,119</u>	<u>1,040,119</u>	<u>1,040,119</u>	<u>0</u>
Fund balance at end of year	<u>\$ 1,217,135</u>	<u>\$ 1,152,177</u>	<u>\$ 1,536,063</u>	<u>\$ 383,886</u>

**Clermont County, Ohio**  
*Schedule of Revenues*  
*Expenditures and Changes in*  
*Fund Balance - Budget and Actual*  
*(Non-GAAP Budgetary Basis)*  
*For the Year Ended December 31, 2006*

**Community Development Projects - Capital Projects Fund**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive(Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 0	\$ 1,138,755	\$ 500,388	\$ (638,367)
Other revenues	0	364,326	424,031	59,705
Total revenues	0	1,503,081	924,419	(578,662)
<b>Expenditures:</b>				
Purchased services	0	54,000	54,000	0
Maintenance and repair	82,777	82,777	82,777	0
Capital outlay	2,194,861	3,239,776	2,965,229	274,547
Total expenditures	2,277,638	3,376,553	3,102,006	274,547
(Deficiency) of revenues (under) expenditures	(2,277,638)	(1,873,472)	(2,177,587)	(304,115)
<b>Other financing sources (uses):</b>				
Proceeds from sale of special assessment bonds	0	680,000	680,000	0
Other financing use - discount on special assessment bonds	0	(6,800)	(6,800)	0
Operating transfers in	500,000	500,000	500,000	0
Operating transfers (out)	0	(673,200)	(673,200)	0
Advances (out)	0	(65,755)	(65,755)	0
Total other financing sources (uses)	500,000	434,245	434,245	0
Net change in fund balance	(1,777,638)	(1,439,227)	(1,743,342)	(304,115)
Fund balance at beginning of year	1,605,867	1,605,867	1,605,867	0
Prior year encumbrances appropriated	251,298	251,298	251,298	0
Fund balance at end of year	\$ 79,527	\$ 417,938	\$ 113,823	\$ (304,115)

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**Clermont County**  
**Combining Statements - Internal Service Funds**

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

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

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

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

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

**Clermont County, Ohio**  
Combining Statement of Fund Net Assets  
Internal Service Funds  
December 31, 2006

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
<b>Assets</b>					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$ 2,986,315	\$ 82,499	\$ 698,792	\$ 1,203,111	\$ 4,970,717
Accounts Receivable	0	170,531	158,299	0	328,830
Prepaid Items	0	0	2,438	2,637	5,075
<i>Total Current Assets</i>	<u>2,986,315</u>	<u>253,030</u>	<u>859,529</u>	<u>1,205,748</u>	<u>5,304,622</u>
<i>Noncurrent Assets:</i>					
Capital assets, net	0	36,017	23,902	0	59,919
<i>Total Noncurrent Assets</i>	<u>0</u>	<u>36,017</u>	<u>23,902</u>	<u>0</u>	<u>59,919</u>
<i>Total Assets</i>	<u>2,986,315</u>	<u>289,047</u>	<u>883,431</u>	<u>1,205,748</u>	<u>5,364,541</u>
<b>Liabilities</b>					
<i>Current Liabilities:</i>					
Accounts Payable	4,475	245,681	68,676	0	318,832
Accrued Wages and Benefits	3,903	7,290	4,076	0	15,269
Intergovernmental Payable	590	1,075	616	0	2,281
Claims Payable	489,591	0	0	0	489,591
<i>Total Current Liabilities</i>	<u>498,559</u>	<u>254,046</u>	<u>73,368</u>	<u>0</u>	<u>825,973</u>
<i>Noncurrent Liabilities:</i>					
Due Within One Year	0	7,500	4,131	0	11,631
Due Within More Than One Year	0	21,740	2,988	0	24,728
<i>Total Noncurrent Liabilities</i>	<u>0</u>	<u>29,240</u>	<u>7,119</u>	<u>0</u>	<u>36,359</u>
<i>Total Liabilities</i>	<u>498,559</u>	<u>283,286</u>	<u>80,487</u>	<u>0</u>	<u>862,332</u>
<b>Net Assets</b>					
Invested in Capital Assets	0	36,017	23,902	0	59,919
Unrestricted	2,487,756	(30,256)	779,042	1,205,748	4,442,290
<i>Total Net Assets</i>	<u>\$ 2,487,756</u>	<u>\$ 5,761</u>	<u>\$ 802,944</u>	<u>\$ 1,205,748</u>	<u>\$ 4,502,209</u>



**Clermont County, Ohio**

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Internal Service Funds

For the Year Ended December 31, 2006

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
<b>Operating Revenues</b>					
Charges for Sales and Services	\$ 9,132,443	\$ 1,608,761	\$ 1,025,216	\$ 448,666	\$ 12,215,086
All Other Revenues	36,602	8,851	77,746	407,572	530,771
<i>Total Operating Revenues</i>	<u>9,169,045</u>	<u>1,617,612</u>	<u>1,102,962</u>	<u>856,238</u>	<u>12,745,857</u>
<b>Operating Expenses</b>					
Personal Services	68,286	289,277	150,525	813,559	1,321,647
Materials and Supplies	2,525	1,246,099	8,117	51,607	1,308,348
Contractual Services	39,135	17,062	9,087	22,584	87,868
Maintenance and Repair	0	126,398	86,139	0	212,537
Utilities	371	4,710	542,399	0	547,480
Claims	7,467,783	0	0	0	7,467,783
Depreciation	0	4,115	12,669	0	16,784
Other	0	21,934	0	0	21,934
<i>Total Operating Expenses</i>	<u>7,578,100</u>	<u>1,709,595</u>	<u>808,936</u>	<u>887,750</u>	<u>10,984,381</u>
<i>Operating Income (Loss)</i>	1,590,945	(91,983)	294,026	(31,512)	1,761,476
Transfers In	0	30,956	0	0	30,956
Transfers Out	0	0	(90,000)	0	(90,000)
<i>Change in Net Assets</i>	1,590,945	(61,027)	204,026	(31,512)	1,702,432
<i>Net Assets Beginning of Year</i>	<u>896,811</u>	<u>66,788</u>	<u>598,918</u>	<u>1,237,260</u>	<u>2,799,777</u>
<i>Net Assets End of Year</i>	<u>\$ 2,487,756</u>	<u>\$ 5,761</u>	<u>\$ 802,944</u>	<u>\$ 1,205,748</u>	<u>\$ 4,502,209</u>

**Clermont County, Ohio**  
*Combining Statement of Cash Flows*  
*Internal Service Funds*  
*For the Year Ended December 31, 2006*

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
<b>Cash Flows From Operating Activities:</b>					
Cash Received from Interfund Services Provided	\$ 9,132,443	\$ 1,562,015	\$ 1,029,807	\$ 448,666	\$ 12,172,931
Payments to Suppliers	(37,556)	(1,342,671)	(658,091)	(88,533)	(2,126,851)
Payments to Employees	(65,741)	(278,418)	(150,816)	0	(494,975)
Claims	(7,817,045)	0	0	0	(7,817,045)
Payments for Interfund Services Provided	0	0	0	(813,559)	(813,559)
Other Receipts	36,602	8,851	70,321	407,572	523,346
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>1,248,703</u>	<u>(50,223)</u>	<u>291,221</u>	<u>(45,854)</u>	<u>1,443,847</u>
<b>Cash Flows From Noncapital Financing Activities:</b>					
Transfers from (to) Other Funds	0	30,956	(90,000)	0	(59,044)
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>0</u>	<u>30,956</u>	<u>(90,000)</u>	<u>0</u>	<u>(59,044)</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,248,703	(19,267)	201,221	(45,854)	1,384,803
<i>Cash and Cash Equivalents-January 1</i>	<u>1,737,612</u>	<u>101,766</u>	<u>497,571</u>	<u>1,248,965</u>	<u>3,585,914</u>
<i>Cash and Cash Equivalents December 31</i>	<u>\$ 2,986,315</u>	<u>\$ 82,499</u>	<u>\$ 698,792</u>	<u>\$ 1,203,111</u>	<u>\$ 4,970,717</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>					
Operating Income (Loss)	\$ 1,590,945	\$ (91,983)	\$ 294,026	\$ (31,512)	\$ 1,761,476
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	0	4,115	12,669	0	16,784
Non-Operating Revenues and Expenses					
Change in Assets and Liabilities:					
(Increase) in Accounts Receivable	0	(46,746)	(2,834)	0	(49,580)
(Increase) Decrease in Prepaid Items	0	0	32	(237)	(205)
Increase (Decrease) in Accounts Payable	4,475	73,531	(12,381)	(14,105)	51,520
Increase in Accrued Wages	2,210	659	103	0	2,972
(Decrease) in Claims Payable	(349,262)	0	0	0	(349,262)
Increase in Intergovernmental Payable	335	100	15	0	450
Increase (Decrease) in Compensated Absences Payable	0	10,101	(409)	0	9,692
Total Adjustments	<u>(342,242)</u>	<u>41,760</u>	<u>(2,805)</u>	<u>(14,342)</u>	<u>(317,629)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$ 1,248,703</u>	<u>\$ (50,223)</u>	<u>\$ 291,221</u>	<u>\$ (45,854)</u>	<u>\$ 1,443,847</u>

**Clermont County  
Combining Statement - Fiduciary Funds**

**Agency Funds**

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

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

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

**Other Agency Funds** - This fund is used to account for miscellaneous monies collected and held on behalf of individuals and corporations.

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

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

**Clermont County, Ohio**

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2006

**UNDIVIDED TAX FUND**

	Beginning Balance 1/1/06	Additions	Deductions	Ending Balance 12/31/06
<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents	\$ 7,249,197	\$ 1,124,485	\$ 1,063,086	\$ 7,310,596
Taxes receivable	201,444,173	454,171,633	449,368,721	206,247,085
Total assets	<u>\$ 208,693,370</u>	<u>\$ 455,296,118</u>	<u>\$ 450,431,807</u>	<u>\$ 213,557,681</u>
<b>LIABILITIES:</b>				
Intergovernmental payable	\$ 208,693,370	\$ 455,296,118	\$ 450,431,807	\$ 213,557,681
Total liabilities	<u>\$ 208,693,370</u>	<u>\$ 455,296,118</u>	<u>\$ 450,431,807</u>	<u>\$ 213,557,681</u>

**POLITICAL SUBDIVISIONS**

<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents	\$ 1,284,635	\$ 13,211,499	\$ 13,270,162	\$ 1,225,972
Cash and Cash equivalents in segregated accounts	103,497	106,312	103,497	106,312
Intergovernmental receivable	474,033	750,044	474,033	750,044
Total assets	<u>\$ 1,862,165</u>	<u>\$ 14,067,855</u>	<u>\$ 13,847,692</u>	<u>\$ 2,082,328</u>
<b>LIABILITIES:</b>				
Intergovernmental payable	\$ 1,862,165	\$ 14,067,855	\$ 13,847,692	\$ 2,082,328
Other liabilities	0	0	0	0
Total liabilities	<u>\$ 1,862,165</u>	<u>\$ 14,067,855</u>	<u>\$ 13,847,692</u>	<u>\$ 2,082,328</u>

**OTHER AGENCY FUNDS**

<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents	\$ 1,170,710	\$ 74,449,114	\$ 74,481,589	\$ 1,138,235
Intergovernmental receivable	28,910	13,776	28,910	13,776
Total assets	<u>\$ 1,199,620</u>	<u>\$ 74,462,890</u>	<u>\$ 74,510,499</u>	<u>\$ 1,152,011</u>
<b>LIABILITIES:</b>				
Intergovernmental payable	\$ 364,865	\$ 13,776	\$ 364,865	\$ 13,776
Other liabilities	834,755	74,449,114	74,145,634	1,138,235
Total liabilities	<u>\$ 1,199,620</u>	<u>\$ 74,462,890</u>	<u>\$ 74,510,499</u>	<u>\$ 1,152,011</u>

**CLERMONT COUNTY COURT SYSTEM**

<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents	\$ 2,614,334	\$ 36,091,618	\$ 35,611,339	\$ 3,094,613
Cash and Cash equivalents in segregated accounts	37,223	53,980	37,223	53,980
Total assets	<u>\$ 2,651,557</u>	<u>\$ 36,145,598</u>	<u>\$ 35,648,562</u>	<u>\$ 3,148,593</u>
<b>LIABILITIES:</b>				
Intergovernmental payable	\$ 853,806	\$ 419,481	\$ 853,806	\$ 419,481
Other liabilities	1,797,751	35,726,117	34,794,756	2,729,112
Total liabilities	<u>\$ 2,651,557</u>	<u>\$ 36,145,598</u>	<u>\$ 35,648,562</u>	<u>\$ 3,148,593</u>

(Continued)

**Clermont County, Ohio**  
*Combining Statement of Changes in Assets and Liabilities*  
*Agency Funds*  
*For the Year Ended December 31, 2006 - Continued*

**GENERAL COUNTY AGENCY**

	Beginning Balance 1/1/06	Additions	Deductions	Ending Balance 12/31/06
<b>ASSETS:</b>				
Cash and Cash equivalents in segregated accounts	\$ 675,408	\$ 644,631	\$ 675,408	\$ 644,631
Cash with fiscal and escrow agents	698,324	250,564	698,324	250,564
<b>Total assets</b>	<b>\$ 1,373,732</b>	<b>\$ 895,195</b>	<b>\$ 1,373,732</b>	<b>\$ 895,195</b>
<b>LIABILITIES:</b>				
Intergovernmental Payable	\$ 0	\$ 271,626	\$ 0	\$ 271,626
Other liabilities	1,373,732	623,569	1,373,732	623,569
<b>Total liabilities</b>	<b>\$ 1,373,732</b>	<b>\$ 895,195</b>	<b>\$ 1,373,732</b>	<b>\$ 895,195</b>

**TOTAL AGENCY FUNDS**

<b>ASSETS:</b>				
Equity in pooled cash and cash equivalents	\$ 12,318,876	\$ 124,876,716	\$ 124,426,176	\$ 12,769,416
Cash and Cash equivalents in segregated accounts	816,128	804,923	816,128	804,923
Cash with fiscal and escrow agents	698,324	250,564	698,324	250,564
Taxes receivable	201,444,173	454,171,633	449,368,721	206,247,085
Intergovernmental receivable	502,943	763,820	502,943	763,820
<b>Total assets</b>	<b>\$ 215,780,444</b>	<b>\$ 580,867,656</b>	<b>\$ 575,812,292</b>	<b>\$ 220,835,808</b>
<b>LIABILITIES:</b>				
Intergovernmental payable	\$ 211,774,206	\$ 470,068,856	\$ 465,498,170	\$ 216,344,892
Other liabilities	4,006,238	110,798,800	110,314,122	4,490,916
<b>Total liabilities</b>	<b>\$ 215,780,444</b>	<b>\$ 580,867,656</b>	<b>\$ 575,812,292</b>	<b>\$ 220,835,808</b>

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

**CLERMONT COUNTY, OHIO***Capital Assets Used in the Operation of Governmental Funds**Schedule By Function and Activity**December 31, 2006*

Function and Activity	Land	Buildings, and Building Improvements	Furniture, Fixtures and Equipment	Infrastructure	Construction in Progress	Total
General Government - Legislative and executive	\$ 4,297,422	\$ 10,080,008	\$ 10,960,948	\$ 0	\$ 0	\$ 25,338,378
General Government - Judicial	0	19,526,780	890,204	0	1,221,401	21,638,385
Public safety	190,000	33,645,658	18,223,907	0	307,432	52,366,997
Public works	0	1,371,988	5,439,818	123,243,901	3,032,148	133,087,855
Health	0	1,280,639	144,010	0	0	1,424,649
Human Services	0	5,483,508	1,614,188	0	68,670	7,166,366
Community Development	386,120	450,368	49,989	10,096,666	4,142,531	15,125,674
Transportation	0	0	1,111,934	0	0	1,111,934
Total Governmental Funds' Capital Assets	<u>\$ 4,873,542</u>	<u>\$ 71,838,949</u>	<u>\$ 38,434,998</u>	<u>\$ 133,340,567</u>	<u>\$ 8,772,182</u>	<u>\$ 257,260,238</u>

**CLERMONT COUNTY, OHIO***Capital Assets Used in the Operation of Governmental Funds**Schedule of Changes By Function and Activity**For the Year Ended December 31, 2006*

Function and Activity	Governmental Funds Capital Assets Restated Jan 1, 2006	Additions	Disposals	Governmental Funds Capital Assets Dec 31, 2006
General Government - Legislative and executive	\$ 31,979,548	\$ 879,190	\$ 7,520,360	25,338,378
General Government - Judicial				
Judicial	18,864,200	2,774,185	0	21,638,385
Public Safety	44,617,994	19,006,921	11,257,918	52,366,997
Public Works	126,840,400	10,912,803	4,665,348	133,087,855
Health	1,405,097	19,552	0	1,424,649
Human Services	6,961,505	204,861	0	7,166,366
Community Development	13,125,554	2,043,246	43,126	15,125,674
Transportation	1,111,934	0	0	1,111,934
Total Governmental Funds' Capital Assets	<u>\$ 244,906,232</u>	<u>\$ 35,840,758</u>	<u>\$ 23,486,752</u>	<u>\$ 257,260,238</u>



**CLERMONT COUNTY, OHIO**

*Capital Assets Used in the Operation of Governmental Funds  
Schedule of Capital Assets by Source  
December 31, 2006*

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Governmental Funds Fixed Assets:	
Land	\$ 4,873,542
Building, structures, and improvements	71,838,949
Furniture, fixtures and equipment	38,434,998
Infrastructure	133,340,567
Construction in progress	<u>8,772,182</u>
Total Governmental Funds' Capital Assets	<u>\$ 257,260,238</u>

Investment in Governmental funds' capital assets by source:	
General fund revenues	\$ 30,006,772
Special revenue fund revenues	28,123,651
Capital projects	198,809,268
Donations	<u>320,547</u>
Total Investment in Governmental Funds' Capital Assets	<u>\$ 257,260,238</u>

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## **STATISTICAL SECTION**



## Statistical Section

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

Contents	Pages
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	128-133
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the County's most significant local revenue sources, property taxes and water and sewer revenue.	134-142
<b>Debt Capacity</b> 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.	143-146
<b>Economic and Demographic Information</b> These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place.	147-148
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides.	149-153

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

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

Table 1  
**Clermont County, Ohio**  
 Net Assets by Category  
 Last Seven Years  
 (accrual basis of accounting)

	2000	2001	2002	2003	2004	2005	2006
<b>Governmental Activities</b>							
Invested in Capital Assets, Net of Related Debt	\$ 80,931,718	\$ 86,922,699	\$ 95,134,840	\$ 100,535,513	\$ 115,153,832	\$ 117,497,834	\$ 124,560,778
Restricted	33,112,424	48,930,822	47,092,351	51,077,825	56,940,141	58,032,950	46,390,525
Unrestricted	20,821,079	7,880,328	14,640,442	12,694,496	12,038,607	22,463,795	34,273,962
<b>Total Governmental Activities Net Assets</b>	<b>134,865,221</b>	<b>143,733,849</b>	<b>156,867,633</b>	<b>164,307,834</b>	<b>184,132,580</b>	<b>197,994,579</b>	<b>205,225,265</b>
<b>Business-Type Activities</b>							
Invested in Capital Assets, Net of Related Debt	102,200,030	111,208,168	120,738,408	131,727,617	142,258,749	162,767,729	189,473,417
Restricted	4,747,480	7,889,836	16,324,709	7,270,658	7,145,557	7,319,898	9,447,891
Unrestricted	90,198,266	88,815,552	81,372,870	88,196,026	85,537,368	80,520,140	65,226,155
<b>Total Business-Type Activities Net Assets</b>	<b>197,145,776</b>	<b>207,913,556</b>	<b>218,435,987</b>	<b>227,194,301</b>	<b>234,941,674</b>	<b>250,607,767</b>	<b>264,147,463</b>
<b>Primary Government</b>							
Invested in Capital Assets, Net of Related Debt	183,131,748	198,130,867	215,873,248	232,263,130	257,412,581	280,265,563	314,034,195
Restricted	37,859,904	56,820,658	63,417,060	58,348,483	64,085,698	65,352,848	55,838,416
Unrestricted	111,019,345	96,695,880	96,013,312	100,890,522	97,575,975	102,983,935	99,500,117
<b>Total Primary Government Net Assets</b>	<b>\$ 332,010,997</b>	<b>\$ 351,647,405</b>	<b>\$ 375,303,620</b>	<b>\$ 391,502,135</b>	<b>\$ 419,074,254</b>	<b>\$ 448,602,346</b>	<b>\$ 469,372,728</b>

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

	2000	2001	2002	2003	2004	2005	2006
<b>Expenses</b>							
Governmental Activities							
General Government							
Legislative and Executive	\$ 15,828,886	\$ 19,011,649	\$ 19,515,292	\$ 19,533,131	\$ 18,437,847	\$ 22,705,828	\$ 20,523,819
Judicial	7,042,873	7,244,461	7,467,968	8,911,706	8,647,801	9,832,777	10,207,694
Public Safety	18,207,672	22,709,449	22,540,989	24,310,632	25,170,615	27,358,585	26,776,170
Public Works	4,570,345	9,680,793	7,155,162	13,454,860	7,794,813	7,645,345	10,029,854
Health	684,141	759,914	780,820	840,128	802,748	621,688	938,943
Human Services	24,587,506	25,762,570	28,314,617	29,851,533	29,731,069	30,203,142	36,166,303
Community Development	3,302,491	5,930,181	2,548,204	3,292,995	1,538,839	3,384,604	2,070,800
Economic Development <sup>2</sup>	0	0	0	0	426,636	425,411	926,510
Transportation	2,090,458	1,188,990	1,671,387	1,767,427	1,613,319	1,550,036	2,193,540
Interest and Fiscal Charges	2,013,928	1,985,351	2,309,295	2,546,741	1,753,528	1,419,119	1,298,080
Total Governmental Activities Expenses	78,328,300	94,273,358	92,303,734	104,509,153	95,917,215	105,146,535	111,131,713
Business-Type Activities							
Water	11,213,950	11,186,071	11,021,013	10,702,657	10,744,633	11,664,066	11,673,731
Sewer	14,514,644	15,324,587	15,170,271	14,374,499	15,247,825	15,465,136	15,828,213
Total Business-Type Activities Expenses	25,728,594	26,510,658	26,191,284	25,077,156	25,992,458	27,129,202	27,501,944
Total Primary Government Expenses	104,056,894	120,784,016	118,495,018	129,586,309	121,909,673	132,275,737	138,633,657
<b>Program Revenues</b>							
Governmental Activities							
Charges for Services							
Legislative & Executive	8,873,557	10,473,110	10,812,430	11,669,374	11,475,561	11,769,239	11,492,082
Judicial	3,010,916	2,911,679	3,185,159	3,151,132	2,915,205	3,230,272	3,627,500
Public Safety	2,595,275	2,831,316	3,661,359	3,548,501	4,529,226	5,229,426	4,143,176
Other Activities	2,411,403	3,057,608	3,759,561	4,490,258	4,699,274	4,802,455	6,586,896
Operating Grants and Contributions	25,822,996	29,824,261	30,834,937	34,308,860	30,843,691	33,703,743	33,596,918
Capital Grants and Contributions	10,287,243	3,306,780	5,459,628	10,735,511	11,210,647	12,504,470	6,518,043
Total Governmental Activities Program Revenues	53,001,390	52,404,754	57,713,074	67,903,636	65,673,604	71,239,605	65,964,615
Business-Type Activities							
Charges for Services							
Water	10,911,556	10,710,767	11,912,268	10,925,776	11,263,790	11,795,804	11,135,109
Sewer	13,787,479	12,972,165	13,611,285	13,379,077	13,704,733	13,725,879	13,560,374
Capital Grants and Contributions	10,030,648	8,517,076	7,997,307	7,818,332	7,142,477	13,194,791	12,350,537
Total Business-Type Activities Program Revenues	34,729,683	32,200,008	33,520,860	32,123,185	32,111,000	38,716,474	37,046,020
Total Primary Government Program Revenues	87,731,073	84,604,762	91,233,934	100,026,821	97,784,604	109,956,079	103,010,635

Continued

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

	2000	2001	2002	2003	2004	2005	2006
<b>Net (Expense)/Revenue</b>							
Governmental Activities	\$ (25,326,910)	\$ (41,868,604)	\$ (34,590,660)	\$ (36,605,517)	\$ (30,243,611)	\$ (33,906,930)	\$ (45,167,098)
Business-Type Activities	9,001,089	5,689,350	7,329,576	7,046,029	6,118,542	11,587,272	9,544,076
<b>Total Primary Government Net Expense</b>	<b>(16,325,821)</b>	<b>(36,179,254)</b>	<b>(27,261,084)</b>	<b>(29,559,488)</b>	<b>(24,125,069)</b>	<b>(22,319,658)</b>	<b>(35,623,022)</b>
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental Activities							
Property Taxes Levied for:							
General Purposes	6,367,744	6,484,774	8,264,880	6,822,981	7,055,983	7,270,232	8,175,916
Social Services	4,329,596	4,394,817	5,750,351	5,623,183	5,883,741	6,055,984	6,247,859
Capital Outlay	3,031,174	3,082,262	2,963,493	3,242,143	3,352,922	3,454,195	3,885,926
Lodging Tax	264,297	305,398	323,423	443,691	377,743	430,014	494,703
Sales Tax	19,334,621	20,285,277	19,513,566	20,068,147	23,082,898	22,783,754	23,125,953
Grants not Restricted to Specific Programs	4,131,917	4,170,756	5,858,652	5,928,244	5,822,265	5,945,983	6,158,505
Unrestricted Contributions	321,406	0	0	0	0	0	0
Investment Earnings	6,409,374	5,817,336	4,156,791	1,944,506	2,347,773	2,921,263	4,842,197
Other Revenue <sup>1</sup>	1,731,238	6,236,612	1,213,288	212,823	37,584	153,919	138,597
Gain on the Sale/Exchange of Capital Assets <sup>2</sup>	0	0	0	0	2,566,914	0	0
Transfers	(1,120,000)	(40,000)	(320,000)	(240,000)	(459,466)	(1,789,515)	(671,872)
<b>Total Governmental Activities</b>	<b>44,801,367</b>	<b>50,737,232</b>	<b>47,724,444</b>	<b>44,045,718</b>	<b>50,068,357</b>	<b>47,225,829</b>	<b>52,397,784</b>
Business-Type Activities							
Investment Earnings	5,761,863	5,026,140	2,872,855	1,251,874	737,271	1,822,908	3,020,287
Other Revenue	0	0	0	220,411	432,094	466,398	303,461
Gain on the Sale of Capital Assets	14,427	12,290	0	0	0	0	0
Transfers	1,120,000	40,000	320,000	240,000	459,466	1,789,515	671,872
<b>Total Business-Type Activities</b>	<b>6,896,290</b>	<b>5,078,430</b>	<b>3,192,855</b>	<b>1,712,285</b>	<b>1,628,831</b>	<b>4,078,821</b>	<b>3,995,620</b>
<b>Total Primary Government</b>	<b>51,697,657</b>	<b>55,815,662</b>	<b>50,917,299</b>	<b>45,758,003</b>	<b>51,697,188</b>	<b>51,304,650</b>	<b>56,393,404</b>
<b>Change in Net Assets</b>							
Governmental Activities	19,474,457	8,868,628	13,133,784	7,440,201	19,824,746	13,318,899	7,230,686
Business-Type Activities	15,897,379	10,767,780	10,522,431	8,758,314	7,747,373	15,666,093	13,539,696
<b>Total Primary Government Change in Net Assets</b>	<b>\$ 35,371,836</b>	<b>\$ 19,636,408</b>	<b>\$ 23,656,215</b>	<b>\$ 16,198,515</b>	<b>\$ 27,572,119</b>	<b>\$ 28,984,992</b>	<b>\$ 20,770,382</b>

<sup>1</sup> In 2001, the County received \$4.5 million in proceeds from the demutualization of Anthem Blue Cross Blue Shield.

<sup>2</sup> In 2004, exchanged infrastructure with the Ohio Department of Transportation

<sup>3</sup> In 2004, the County established the Office of Economic Development



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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Fund</b>										
Reserved	\$ 588,064	\$ 794,744	\$ 848,829	\$ 886,563	\$ 1,708,536	\$ 1,234,181	\$ 924,267	\$ 923,185	\$ 8,790,009	\$ 1,993,301
Unreserved:										
Designated for Budget Stabilization	0	0	0	0	0	2,300,000	2,300,000	2,300,000	2,300,000	2,300,000
Unreserved, Undesignated	11,139,680	15,172,894	15,742,670	18,758,524	23,434,345	25,017,857	25,372,491	23,324,454	13,745,204	16,590,525
<b>Total General Fund</b>	<b>\$ 11,727,744</b>	<b>\$ 15,967,638</b>	<b>\$ 16,591,499</b>	<b>\$ 19,645,087</b>	<b>\$ 25,142,881</b>	<b>\$ 28,552,038</b>	<b>\$ 28,596,758</b>	<b>\$ 26,547,639</b>	<b>\$ 24,835,213</b>	<b>\$ 20,883,826</b>
<b>All Other Governmental Funds</b>										
Reserved	\$ 4,099,181	\$ 3,690,604	\$ 12,052,168	\$ 7,058,245	\$ 4,827,541	\$ 5,709,263	\$ 8,812,665	\$ 13,122,924	\$ 4,054,950	\$ 5,544,321
Unreserved, undesignated reported in:										
Special Revenue Funds	8,302,690	9,259,772	10,950,265	5,438,161	10,816,915	11,376,038	12,279,949	15,453,279	17,650,193	15,027,156
Debt Service Funds	214,996	219,291	179,783	253,283	267,503	243,372	325,337	444,920	423,226	377,878
Capital Projects Funds <sup>1</sup>	2,592,589	4,710,008	2,715,644	6,282,430	21,484,777	18,311,200	11,561,992	7,191,450	12,854,505	13,549,407
<b>Total All Other Governmental Funds</b>	<b>\$ 15,209,456</b>	<b>\$ 17,879,675</b>	<b>\$ 25,897,860</b>	<b>\$ 19,032,119</b>	<b>\$ 37,396,736</b>	<b>\$ 35,639,873</b>	<b>\$ 32,979,943</b>	<b>\$ 36,212,573</b>	<b>\$ 34,982,874</b>	<b>\$ 34,498,762</b>

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

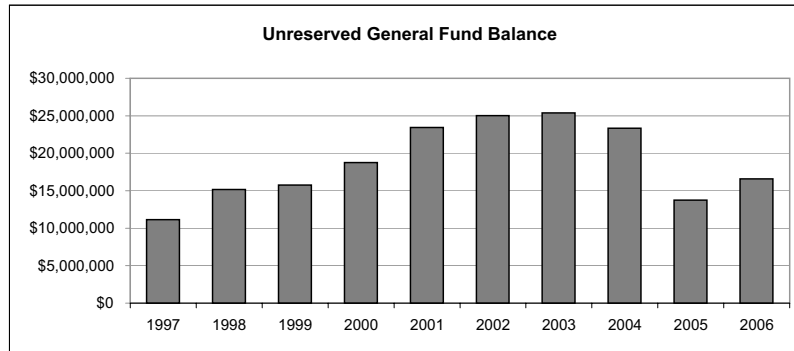


Table 4  
**Clermont County, Ohio**  
 Changes in Fund Balances, Governmental Funds  
 Last Ten Years  
 (modified accrual basis of accounting)

	1997	1998	1999	2000	2001
<b>Revenues</b>					
Property and Other Taxes	\$ 28,559,276	\$ 29,834,519	\$ 31,556,484	\$ 31,626,636	\$ 34,379,497
Charges for Services	11,108,794	12,486,913	11,779,888	12,601,113	15,055,761
Licenses and Permits	1,111,566	1,191,080	1,247,468	1,282,523	1,295,919
Fines and Forfeitures	1,358,463	1,632,510	1,836,134	1,722,864	1,575,449
Intergovernmental	29,894,228	28,585,751	34,219,949	33,456,987	39,273,256
Special Assessments	289,375	427,187	440,008	588,124	612,310
Investment Earnings	2,826,941	3,657,144	4,027,809	4,897,257	5,158,257
Net Increase/(Decrease) in Fair Value of Investments	0	433,668	(1,510,094)	1,536,478	687,011
Other	3,951,641	3,352,515	2,857,999	2,334,353	5,594,396
<b>Total Revenues</b>	<b>79,100,284</b>	<b>81,601,287</b>	<b>86,455,645</b>	<b>90,046,335</b>	<b>103,631,856</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government					
Legislative and Executive	14,711,493	13,063,096	14,486,655	13,973,536	16,076,462
Judicial	5,954,568	5,961,255	6,388,418	6,802,508	7,392,920
Public Safety	14,719,838	15,444,389	16,312,871	17,579,375	19,597,964
Public Works	7,983,786	7,163,314	7,369,289	8,355,342	8,483,972
Health	1,093,465	795,335	792,814	684,306	824,629
Human Services	21,549,629	21,548,579	23,153,957	24,475,887	25,854,986
Community Development	463,146	325,415	455,270	485,033	866,448
Economic Development <sup>2</sup>	0	0	0	0	0
Transportation	374,532	1,728,413	1,577,827	1,951,308	1,525,157
Intergovernmental	997,862	1,036,862	1,081,659	2,809,966	1,482,661
Capital Outlay	8,039,506	3,602,149	9,684,993	11,886,127	10,111,738
Debt Service:					
Principal Retirement	2,113,000	2,242,000	2,378,000	2,919,000	3,080,000
Interest and Fiscal Charges	1,886,467	1,839,873	1,744,529	2,022,534	1,926,454
Cost of Issuance	0	0	0	0	0
<b>Total Expenditures</b>	<b>79,887,292</b>	<b>74,750,680</b>	<b>85,426,282</b>	<b>93,944,922</b>	<b>97,223,391</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(787,008)</b>	<b>6,850,607</b>	<b>1,029,363</b>	<b>(3,898,587)</b>	<b>6,408,465</b>
<b>Other Financing Sources (Uses)</b>					
Refunding Bonds Issued	0	0	0	0	2,695,000
General Obligation Bonds Issued	0	0	6,500,000	0	17,300,000
Special Assessment Bonds Issued	1,165,000	590,000	690,000	1,120,000	40,000
OPWC Bonds Issued	0	0	0	0	0
Payment to Refunded Bonds Escrow Agent	0	0	0	0	(2,660,731)
Payment to Defeased Bond Escrow Agent	0	0	0	0	0
Other Financing (Uses) - Discount	0	0	0	0	0
Other Financing Sources - Premium	0	0	0	0	0
Other Financing Sources	107,400	0	0	0	0
Transfers In	9,594,463	8,350,763	11,400,999	10,406,673	10,238,955
Transfers Out	(9,621,374)	(9,361,363)	(11,150,999)	(11,376,673)	(10,178,955)
Proceeds from the Sale of Capital Assets	205,088	413,510	172,683	74,606	19,677
<b>Total Other Financing Sources (Uses)</b>	<b>1,450,577</b>	<b>(7,090)</b>	<b>7,612,683</b>	<b>224,606</b>	<b>17,453,946</b>
<b>Special Item</b>					
Proceeds from the Exchange of Infrastructure <sup>1</sup>	0	0	0	0	0
<b>Net Change in Fund Balance</b>	<b>\$ 663,569</b>	<b>\$ 6,843,517</b>	<b>\$ 8,642,046</b>	<b>\$ (3,673,981)</b>	<b>\$ 23,862,411</b>
Debt Service as a Percentage of Noncapital Expenditures	5.2%	5.3%	5.0%	5.9%	8.5%

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

<sup>2</sup> In 2004, the County established the Office of Economic Development.

In 2006, the County purchased 99 acres of land at a cost of \$8,221,230.

	2002	2003	2004	2005	2006
\$	38,193,082	\$ 38,277,066	\$ 39,755,700	\$ 39,894,619	\$ 41,796,624
	16,427,657	16,299,004	17,339,735	18,480,378	19,208,964
	1,354,799	1,551,201	1,807,576	2,063,488	1,669,078
	1,895,526	1,817,342	1,890,580	1,858,195	1,717,796
	40,978,399	43,034,581	44,040,412	48,006,570	47,719,373
	567,484	867,055	1,218,024	1,126,869	1,242,515
	4,611,656	3,058,159	2,776,124	3,590,248	4,483,180
	(350,450)	(1,008,203)	(415,787)	(850,205)	271,246
	1,213,181	1,903,417	1,293,470	1,900,227	3,772,265
	<u>104,891,334</u>	<u>105,799,622</u>	<u>109,705,834</u>	<u>116,070,389</u>	<u>121,881,041</u>
	16,309,120	16,249,761	16,289,174	18,355,723	19,087,739
	7,366,542	8,052,886	8,677,467	8,916,782	9,690,225
	21,490,260	22,345,014	23,631,927	25,105,955	25,281,274
	7,982,618	10,534,697	9,969,435	11,494,227	12,267,434
	821,758	818,670	964,620	823,847	912,765
	28,152,379	29,793,456	29,616,479	29,879,236	36,199,138
	321,188	45,377	280,313	1,451,636	398,876
	0	0	426,636	425,411	8,986,345
	1,875,182	1,788,971	1,421,673	1,501,225	2,127,801
	2,066,421	2,229,214	1,193,103	569,756	1,296,354
	11,604,147	14,961,652	11,979,995	15,603,926	6,710,660
	3,634,938	3,825,876	4,380,876	3,790,876	4,123,941
	2,345,007	2,097,899	1,859,322	1,364,931	1,316,205
	0	162,438	0	0	0
	<u>103,969,560</u>	<u>112,905,911</u>	<u>110,691,020</u>	<u>119,283,531</u>	<u>128,398,757</u>
	921,774	(7,106,289)	(985,186)	(3,213,142)	(6,517,716)
	0	13,395,000	0	0	0
	0	4,120,000	0	0	0
	320,000	240,000	2,160,000	1,850,000	680,000
	357,521	0	0	0	1,001,305
	0	(13,330,500)	0	0	0
	0	0	(9,221,586)	0	0
	0	0	(534)	(60,485)	(6,800)
	0	174,910	0	0	0
	0	0	0	0	0
	10,700,733	10,454,882	10,873,576	10,186,363	7,800,350
	(10,870,733)	(10,604,882)	(12,213,042)	(11,811,993)	(8,413,178)
	222,999	41,669	70,283	107,132	1,020,540
	<u>730,520</u>	<u>4,491,079</u>	<u>(8,331,303)</u>	<u>271,017</u>	<u>2,082,217</u>
	0	0	10,500,000	0	0
\$	<u>1,652,294</u>	<u>\$ (2,615,210)</u>	<u>\$ 1,183,511</u>	<u>\$ (2,942,125)</u>	<u>\$ (4,435,499)</u>
	8.9%	19.9%	16.0%	4.9%	4.8%

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

Collection Year	Real Property <sup>2</sup>				Personal Property <sup>3</sup>		Public Utility <sup>3</sup>		Totals		Assessed Value As a % of Estimated Actual Value	Total Direct Rate <sup>4</sup>
	Residential/Agriculture		Commercial/Industrial		Assessed	Actual	Assessed	Actual	Assessed	Actual		
	Estimated	Actual	Assessed	Actual								
1997	\$ 1,563,716	\$ 4,467,760	\$ 536,860	\$ 1,533,886	\$ 192,391	\$ 769,564	\$ 608,549	\$ 2,434,196	\$ 2,901,516	\$ 9,205,406	31.52%	4.90
1998	1,624,289	4,640,826	546,371	1,561,060	208,672	834,688	606,183	2,424,732	2,985,515	9,461,306	31.55%	4.90
1999	1,695,593	4,844,551	559,080	1,597,371	208,217	832,868	608,783	2,435,132	3,071,673	9,709,923	31.63%	4.90
2000	1,951,631	5,576,089	587,884	1,679,669	219,511	878,044	567,280	2,269,120	3,326,306	10,402,921	31.97%	4.90
2001	2,033,920	5,811,200	602,506	1,721,446	190,220	760,880	540,820	2,163,280	3,367,466	10,456,806	32.20%	5.00
2002	2,120,799	6,059,426	629,265	1,797,900	199,683	798,732	262,596	1,050,384	3,212,343	9,706,442	33.09%	5.00
2003	2,429,473	6,941,351	707,441	2,021,260	201,346	805,384	276,545	1,106,180	3,614,805	10,874,175	33.24%	5.00
2004	2,519,648	7,198,994	720,168	2,057,623	192,937	803,904	276,812	1,107,248	3,709,565	11,167,769	33.22%	5.00
2005	2,608,621	7,453,203	731,313	2,089,466	198,398	862,600	274,686	1,098,744	3,813,018	11,504,013	33.15%	5.00
2006	2,973,626	8,496,074	796,969	2,277,054	169,593	904,496	282,270	1,129,080	4,222,458	12,806,705	32.97%	5.00

Source: Clermont County Auditor

<sup>1</sup>Exempt properties are not included in the estimated actual values nor in assessed valuations.

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

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

<sup>4</sup> The Total Direct Rate is per \$100,000 in assessed value

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

Collection Year	Current Taxes Levied	Current Taxes Collected	Percent of Current Tax Collections to Current Tax Levy	Delinquent Tax Collections	Total Taxes Collected	Percent of Total Collections to Current Tax Levy
1997	\$ 18,950,477	\$ 18,363,919	96.90	\$ 355,936	\$ 18,719,855	98.78
1998	19,427,368	18,977,753	97.69	668,180	19,645,933	101.13
1999	19,956,008	19,402,173	97.22	518,947	19,921,120	99.83
2000	20,810,509	20,120,975	96.69	553,050	20,674,025	99.34
2001	21,173,444	20,547,474	97.04	560,799	21,108,273	99.69
2002	21,833,074	21,075,908	96.53	602,250	21,678,158	99.29
2003	21,763,491	21,097,568	96.94	1,059,047	22,156,615	101.81
2004	25,077,636	24,407,795	97.33	713,996	25,121,791	100.18
2005	25,749,568	25,063,417	97.34	687,505	25,750,922	100.01
2006	27,579,784	26,655,288	96.65	717,477	27,372,765	99.25

Source: Clermont County Auditor

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

Table 7

**Clermont County, Ohio**Property Tax Rates - Direct and Overlapping Governments<sup>1</sup>

Last Ten Years

(Per \$1000 of Assessed Value)

	Collection Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>County Entities</u>										
General	\$ 2.20	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10	\$ 2.10
Senior Services	1.00	1.00	1.00	1.00	1.00	1.10	1.10	1.10	1.10	1.10
Children Services	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
County Capital Construction	0.90	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total County Entities	4.90	4.90	4.90	4.90	4.90	5.00	5.00	5.00	5.00	5.00
<u>Other Entities</u>										
Bd of Mental Retardation	3.25	3.25	3.25	3.25	3.25	3.25	2.50	2.50	3.25	3.25
Comm Mental Health Board	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Park District	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Clermont Cty. Pub. Library	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Other Entities	4.35	4.35	4.35	4.35	4.35	4.35	3.60	3.60	4.35	4.35
Total County-Wide	9.25	9.25	9.25	9.25	9.25	9.35	8.60	8.60	9.35	9.35
<u>School Districts</u>										
Batavia	48.40	48.40	48.40	48.40	48.40	48.40	48.10	48.10	55.00	54.30
Bethel-Tate	33.70	33.70	33.70	38.54	38.64	38.44	38.44	38.44	38.44	38.04
Clermont-Northeastern	36.00	36.50	36.50	36.50	36.50	36.00	36.00	36.00	35.75	35.50
Felicity-Franklin	33.30	33.30	33.30	33.30	33.30	34.90	34.90	34.90	33.50	32.80
Goshen	30.40	26.40	26.40	30.40	30.40	30.40	30.40	30.40	30.40	30.40
Milford	54.52	59.10	59.10	59.10	59.10	63.20	63.20	69.10	69.10	69.10
New Richmond	32.40	32.40	32.45	32.45	32.55	32.65	32.55	32.55	32.55	32.55
West Clermont	49.15	49.15	49.15	49.15	49.15	49.15	49.15	49.15	57.05	56.00
Williamsburg	45.60	45.60	45.60	45.60	45.00	45.00	44.60	44.60	48.20	47.40
U. S. Grant Vocational	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	5.85
<u>Out-Of-County School Districts</u>										
Blanchester	33.45	33.45	33.45	36.04	36.04	35.94	35.94	35.94	35.94	35.10
Forest Hills	50.84	50.84	50.84	50.63	50.44	50.44	55.34	55.34	55.84	55.13
Great Oaks Vocational	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Little Miami	42.54	47.75	46.98	45.44	44.34	43.89	47.44	45.94	45.39	42.84
Loveland	59.68	59.12	63.75	63.33	69.68	69.68	69.68	69.43	74.42	74.42
Southern Hills Vocational	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	6.40
Warren County Vocational	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Western Brown	19.40	24.60	24.60	24.60	24.60	23.10	23.10	23.10	23.10	22.40

Continued

Source: Clermont County Auditor

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

Table 7

**Clermont County, Ohio**Property Tax Rates - Direct and Overlapping Governments<sup>1</sup>

Last Ten Years

*(Per \$1000 of Assessed Value)*

(Continued)

	Collection Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<u>Corporations</u>										
Amelia	18.80	18.80	17.80	18.90	17.00	17.00	17.00	19.70	18.30	21.30
Batavia	6.50	6.50	6.50	6.50	6.50	1.90	1.80	1.80	1.80	1.80
Bethel	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Chilo	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Felicity	9.00	9.00	9.00	9.00	9.00	9.00	9.00	15.00	12.00	12.00
Milford	14.30	14.30	14.30	14.30	13.70	13.70	13.70	13.70	13.70	13.70
Moscow	4.54	4.54	4.54	4.54	5.04	5.04	3.50	3.50	3.50	3.50
Neville	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Richmond	15.00	15.00	15.00	15.00	16.50	16.50	16.50	21.50	21.50	21.50
Newtonsville	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Owensville	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	12.60
Williamsburg	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
<u>Out-Of-County Corporations</u>										
Loveland	9.55	9.55	9.55	9.55	9.55	11.55	11.55	11.55	11.00	11.55
<u>Townships</u>										
Batavia	6.90	6.90	6.90	6.90	6.90	2.40	2.40	2.40	2.40	2.40
Franklin	9.20	9.20	9.20	9.20	12.20	14.20	14.20	14.20	14.20	14.20
Goshen	17.60	17.60	17.60	17.60	17.60	17.60	21.60	21.60	21.60	21.60
Jackson	8.40	8.40	10.40	10.40	10.40	10.40	10.40	10.40	10.40	10.40
Miami	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	22.11	26.01
Monroe	10.60	16.60	16.60	10.60	10.60	10.60	10.60	16.10	16.10	16.10
Ohio	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60
Pierce	13.30	14.00	14.00	14.00	16.90	16.90	16.90	16.90	16.90	16.90
Stonelick	8.10	8.10	10.60	10.60	10.60	10.60	10.60	10.60	10.60	10.60
Tate	8.70	8.70	8.70	8.70	8.70	8.70	8.70	12.80	12.80	12.80
Union	17.40	17.40	17.40	17.40	17.40	17.40	21.40	21.40	21.40	21.40
Washington	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
Wayne	8.70	8.70	10.70	10.70	10.70	12.70	12.70	12.70	12.70	12.70
Williamsburg	5.80	5.80	5.80	8.70	8.70	8.70	8.70	8.70	8.70	8.70
<u>Other Districts</u>										
Bethel-Tate Jnt. Amb. <sup>2</sup>	5.30	5.30	6.60	6.60	6.60	6.60	6.60	0.00	0.00	0.00
Central Joint Fire & EMS						5.50	5.50	5.50	5.50	5.50

Source: Clermont County Auditor

<sup>1</sup>Property tax rates are determined by a combination of the county-wide tax rate and the applicable tax rates for the school district, township, municipality or other districts in which a given property is located.<sup>2</sup>The District dissolved in April 2003.

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

<b>2006</b>				
	Real Estate Assessed Valuation	Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total Assessed Valuation
Duke Energy	\$ 40,218,690	\$ 177,676,690	\$ 217,895,380	5.12%
Columbus & Southern	13,658,280	30,730,930	44,389,210	1.04%
Dayton Power	16,883,850	33,678,190	50,562,040	1.19%
Batavia Transmissions	13,683,180	14,487,760	28,170,940	0.66%
CBL Eastgate Mall LLC	18,811,380	0	18,811,380	0.44%
Cincinnati Bell Telephone	0	17,430,280	17,430,280	0.41%
Meijer Stores	12,820,870	3,277,540	16,098,410	0.38%
KRG Eastgate Pavillion LLC	9,621,390	0	9,621,390	0.23%
Midland Company	7,845,270	89,740	7,935,010	0.19%
Amerishop Biggs Place	7,231,350	0	7,231,350	0.17%
<b>Totals</b>	<b>\$ 140,774,260</b>	<b>\$ 277,371,130</b>	<b>\$ 418,145,390</b>	<b>9.83%</b>

<b>1997</b>				
	Real Estate Assessed Valuation	Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total Assessed Valuation
Cinergy Corporation	\$ 39,557,168	\$ 359,986,720	\$ 399,543,888	13.77%
Dayton Power & Light	16,417,555	104,313,750	120,731,305	4.16%
Columbus & Southern	13,182,869	87,624,850	100,807,719	3.47%
Ford Motor Company	13,934,520	33,124,360	47,058,880	1.62%
Cincinnati Bell Telephone	857,490	41,308,870	42,166,360	1.45%
Eastgate Company	22,234,960	48,890	22,283,850	0.77%
Cincinnati Milacron	3,776,640	13,899,950	17,676,590	0.61%
Teachers Realty Corp	10,646,171	0	10,646,171	0.37%
U.S. Precision Lens	1,980,520	8,546,360	10,526,880	0.36%
Ohio Valley Electric	147,994	9,770,040	9,918,034	0.34%
<b>Totals</b>	<b>\$ 122,735,887</b>	<b>\$ 658,623,790</b>	<b>\$ 781,359,677</b>	<b>26.93%</b>

Source: Clermont County Auditor



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

	1999	2000	2001	2002	2003	2004	2005	2006
<b>Water</b>								
Residential	2,232.2	2,040.4	2,086.2	2,370.0	2,063.8	2,289.8	2,411.5	2,276.7
Multi Family	654.0	646.5	652.5	642.3	609.1	628.4	625.8	616.2
Commercial	859.2	737.0	736.6	804.0	786.8	795.8	794.3	683.4
Industrial	146.4	140.1	149.2	171.7	176.1	179.7	175.8	180.9
Recreational	8.2	5.8	5.1	4.3	4.5	3.9	3.6	3.6
Remote	0.4	0.3	0.3	0.3	0.2	0.3	0.3	0.0
Institutional	53.2	43.5	51.0	51.4	50.5	51.4	51.5	78.7
<b>Totals</b>	<b>3,953.6</b>	<b>3,613.6</b>	<b>3,680.9</b>	<b>4,044.0</b>	<b>3,691.0</b>	<b>3,949.3</b>	<b>4,062.8</b>	<b>3,839.5</b>
Total Direct Rate per 1000 gallons	\$ 2.80	\$ 2.96	\$ 2.88	\$ 2.73	\$ 2.74	\$ 2.67	\$ 2.71	\$ 2.76
<b>Sewer</b>								
Residential	1,844.8	1,719.2	1,767.7	1,996.5	1,762.5	1,971.7	2,072.9	1,988.8
Multi Family	638.4	628.3	639.6	625.8	590.7	603.4	606.8	599.7
Commercial	570.8	565.5	562.6	570.2	522.8	546.2	539.8	462.2
Industrial	128.4	139.7	150.5	174.2	130.1	88.4	123.1	148.7
Recreational	16.5	6.6	5.8	5.7	5.4	4.7	3.9	3.9
Remote	0.0	8.8	0.0	7.9	7.9	8.1	6.6	0.0
Institutional	50.0	48.0	50.1	47.7	47.3	47.4	46.6	66.4
<b>Totals</b>	<b>3,248.9</b>	<b>3,116.1</b>	<b>3,176.3</b>	<b>3,428.0</b>	<b>3,066.7</b>	<b>3,269.9</b>	<b>3,399.7</b>	<b>3,269.7</b>
Total Direct Rate per 1000 gallons	\$ 4.28	\$ 4.41	\$ 4.07	\$ 3.92	\$ 4.33	\$ 4.14	\$ 3.99	\$ 4.10

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

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

<b>WATER</b>											
Years	Monthly Minimum Rates	Monthly Minimum Rates	Monthly Minimum Rates	Monthly Minimum Rates	Rate Per 1,000 gal Over Minimum*	Monthly Minimum Rates	Monthly Minimum Rates	Monthly Minimum Rates	Monthly Minimum Rates	Rate Per 1,000 gal Over Minimum*	
	3/4"	1"	1 1/2"	2"		3/4"	1"	1 1/2"	2"		
<b>Residential</b>						<b>Non-Residential</b>					
1997	\$ 15.00	\$ 60.00	\$ 120.00	\$ 192.00	\$2.25/\$3.25/\$4.45	\$ 24.00	\$ 60.00	\$ 120.00	\$ 192.00	\$2.25/\$3.25/\$4.45	
1998	15.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	24.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	
1999	15.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	24.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	
2000	15.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	24.00	60.00	120.00	192.00	\$2.25/\$3.25/\$4.45	
2001	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	22.80	22.80	22.80	\$2.14/\$3.09/\$4.23	
2002	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	22.80	22.80	22.80	\$2.14/\$3.09/\$4.23	
2003	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	22.80	22.80	22.80	\$2.14/\$3.09/\$4.23	
2004	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	22.80	22.80	22.80	\$2.14/\$3.09/\$4.23	
2005	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	
2006	14.25	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	22.80	57.00	114.00	182.40	\$2.14/\$3.09/\$4.23	

<b>SEWER</b>											
Years	Monthly Minimum Rates	Monthly Minimum Rates	Monthly Minimum Rates	Monthly Minimum Rates	Rate Per 1,000 gallon Over Minimum	Monthly Minimum Rates	Monthly Minimum Rates	Monthly Minimum Rates	Monthly Minimum Rates	Rate Per 1,000 gallon Over Minimum	
	3/4"	1"	1 1/2"	2"		3/4"	1"	1 1/2"	2"		
<b>Residential</b>						<b>Non-Residential</b>					
1997	\$ 22.25	\$ 89.00	\$ 178.00	\$ 284.80	\$ 4.45	\$ 35.60	\$ 89.00	\$ 178.00	\$ 284.80	\$ 4.45	
1998	22.25	89.00	178.00	284.80	4.45	35.60	89.00	178.00	284.80	4.45	
1999	22.25	89.00	178.00	284.80	4.45	35.60	89.00	178.00	284.80	4.45	
2000	22.25	89.00	178.00	284.80	4.45	35.60	89.00	178.00	284.80	4.45	
2001	20.35	81.40	162.80	260.48	4.07	32.56	81.40	162.80	260.48	4.07	
2002	20.35	81.40	162.80	260.48	4.07	32.56	81.40	162.80	260.48	4.07	
2003	20.35	81.40	162.80	260.48	4.07	32.56	81.40	162.80	260.48	4.07	
2004	20.35	81.40	162.80	260.48	4.07	32.56	81.40	162.80	260.48	4.07	
2005	20.35	81.40	162.80	260.48	4.07	32.56	81.40	162.80	260.48	4.07	
2006	20.35	81.40	162.80	260.48	4.07	32.56	81.40	162.80	260.48	4.07	

Source: Clermont County Sewer District

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

Table 11  
**Clermont County, Ohio**  
Principal Users of Water  
Current Year and Four Years Ago

<b>2006</b>				
	<u>Consumption (in Gallons)</u>	<u>Percent of System Usage</u>	<u>Water Revenue</u>	<u>Percent of System Revenue</u>
Batavia Transmissions	90,776,000	2.36%	\$ 199,247	1.88%
Williamsburg Village	68,886,000	1.79%	155,442	1.47%
Batavia Village	67,272,000	1.75%	145,058	1.37%
City of Milford	23,273,000	0.61%	49,804	0.47%
Greenbriar Estates	20,679,500	0.54%	45,799	0.43%
Arrowhead Apartments	19,308,000	0.50%	49,401	0.47%
Cintas Corporation	17,507,100	0.46%	46,871	0.44%
Lakeshore Estates	15,436,000	0.40%	42,432	0.40%
New Richmond Village	13,058,000	0.34%	27,944	0.26%
Eastgate Mobile Home Park	10,691,900	0.28%	26,280	0.25%
<b>Totals</b>	<u><u>346,887,500</u></u>		<u><u>\$ 788,278</u></u>	

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

Source: Clermont County Sewer District

Note: Information not available prior to 2002

Table 12  
**Clermont County, Ohio**  
Principal Users of Sewer  
Current Year and Four Years Ago

<b>2006</b>				
	<u>Consumption (in Gallons)</u>	<u>Percent of System Usage</u>	<u>Sewer Revenue</u>	<u>Percent of System Revenue</u>
Batavia Transmissions	61,916,700	1.89%	\$ 343,807	2.59%
Greenbriar Estates	20,679,500	0.63%	83,863	0.63%
Cintas Corporation*	19,890,900	0.61%	95,722	0.72%
Arrowhead Apartments	19,308,000	0.59%	78,584	0.59%
Lakeshore Estates	15,436,000	0.47%	64,496	0.49%
Holiday Parks	15,100,100	0.46%	60,049	0.45%
Green Acres	12,925,900	0.40%	54,184	0.41%
Clermont Mercy	12,654,600	0.39%	51,666	0.39%
Milford Commons	11,898,900	0.36%	48,429	0.36%
Deerfield Apartments	<u>11,716,100</u>	0.36%	<u>47,685</u>	0.36%
Totals	<u>201,526,700</u>		<u>\$ 928,485</u>	

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

\*Cintas Corporation has an additional surcharge

Source: Clermont County Sewer District

Note: Information not available prior to 2002

Table 13  
**Clermont County, Ohio**  
Ratios of Outstanding Debt by Type  
Last Ten Years  
*(amounts expressed in thousands, except per capita amount)*

Year	Governmental Activities					Business-Type Activities				Total Primary Government	Percentage of Personal Income <sup>2</sup>	Per Capita <sup>2</sup>
	General Obligation Bonds	Percentage of Actual Property Value <sup>1</sup>	Per Capita <sup>2</sup>	Ohio Public Works Commission	Special Assessment Bonds	Sewer Revenue Bonds	Water Revenue Bonds	Ohio Public Works Commission	Ohio Water Development Authority			
1997	\$ 29,395	0.31%	\$ 170.89	\$ 0	\$ 2,637	\$ 48,975	\$ 50,415	\$ 2,411	\$ 2,298	\$ 136,131	4.10%	\$ 791.41
1998	27,405	0.28%	157.21	0	2,975	47,860	49,030	2,344	2,196	131,810	3.36%	756.14
1999	31,825	0.31%	180.86	0	3,367	46,700	47,585	3,157	2,088	134,722	2.91%	765.64
2000	29,230	0.28%	160.02	0	4,163	45,490	46,075	3,036	1,974	129,968	2.77%	711.53
2001	43,950	0.45%	238.44	0	3,838	44,230	44,495	3,522	1,854	141,889	2.72%	769.80
2002	40,695	0.37%	221.13	349	3,787	42,915	42,835	3,399	1,727	135,707	2.46%	737.42
2003	41,735	0.37%	218.51	331	3,624	39,345	37,020	4,834	1,594	128,483	2.10%	672.69
2004	28,710	0.25%	148.24	313	5,401	37,560	34,965	6,937	1,453	115,339	1.86%	595.53
2005	25,350	0.20%	130.89	295	6,838	35,925	33,015	6,289	1,304	109,016	1.69%	562.88
2006	21,815	0.17%	113.20	1,228	6,997	34,260	31,010	7,862	1,148	104,320	1.53%	541.34

<sup>1</sup>Actual Property Values used for calculation are from Table 5

<sup>2</sup>Population and Personal Income used for calculation are from Table 17

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

Table 14

**Clermont County, Ohio**Computation of Direct and Overlapping Governmental Activities Debt  
December 31, 2006

<b>Political Subdivision</b>	<b>Debt Outstanding</b>	<b>Percentage Applicable To County</b>	<b>Amount Applicable To Clermont County</b>
Clermont County	\$ 24,573,319	100.00%	\$ 24,573,319
Villages wholly within County	859,000	100.00%	859,000
Townships wholly within County	23,498,824	100.00%	23,498,824
School Districts wholly within County	<u>16,977,787</u>	100.00%	<u>16,977,787</u>
Total within County	<u>65,908,930</u>		<u>65,908,930</u>
Cities with overlapping			
City of Loveland	5,075,000	12.57%	637,928
City of Milford	2,830,000	99.13%	2,805,379
School Districts with overlapping			
Bethel-Tate Local S. D.	4,868,000	99.92%	4,864,106
Blanchester Local S. D.	3,469,000	14.91%	517,228
Clermont Northeastern Local S. D.	2,574,985	99.67%	2,566,488
Goshen Local S. D.	5,085,000	93.49%	4,753,967
Loveland City S. D.	27,169,810	45.62%	12,394,867
Little Miami Local S. D.	70,254,906	0.16%	112,408
Milford Exempted Village S. D.	38,970,000	99.88%	38,923,236
Williamsburg Local S. D.	2,965,000	98.64%	2,924,676
Great Oaks J. V. S. D.	<u>13,325,000</u>	17.56%	<u>2,339,870</u>
Total overlapping	<u>176,586,701</u>		<u>72,840,151</u>
Grand Total	<u>\$ 242,495,631</u>		<u>\$ 138,749,081</u>

Source: Ohio Municipal Advisory Council  
Clermont County Auditor

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

**Legal Debt Margin Calculation for 2006**

Assessed Value	
3.0% of the first \$100,000,000 Assessed Valuation	\$ 3,000,000
1.5% on excess of \$100,000,000-not in excess of \$300,000,000	3,000,000
2.5% on the amount in excess of \$300,000,000	<u>98,874,352</u>
Total direct debt limit	104,874,352
Debt applicable to Limit	
General Obligation Bonds	21,815,000
Less: Exempted General Obligation Bonds	(10,745,000)
Less: Available funds in Debt Service Funds	<u>(194,942)</u>
Total net debt (voted and unvoted) applicable to direct debt limit	10,875,058
Direct Legal Debt Margin	<u>\$93,999,294</u>
Unvoted debt limitation (subject to 1% of County assessed valuation)	\$42,549,741
Total Net indebtedness (unvoted-subject to the 1% legal debt limitation)	<u>10,875,058</u>
Total unvoted legal debt margin:	<u>\$31,674,683</u>

(dollars expressed in thousands)

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Direct Debt Limit (voted and unvoted)	\$ 72,791	\$ 75,292	\$ 81,658	\$ 82,687	\$ 78,809	\$ 88,870	\$ 88,870	\$ 93,825	\$ 104,061	\$ 104,874
Total Net Debt (voted and unvoted) Applicable to Direct Debt Limit	<u>14,909</u>	<u>13,708</u>	<u>14,555</u>	<u>13,148</u>	<u>27,948</u>	<u>25,472</u>	<u>23,297</u>	<u>20,930</u>	<u>12,703</u>	<u>10,875</u>
Direct Legal Debt Margin (voted and unvoted)	<u>\$ 57,882</u>	<u>\$ 61,584</u>	<u>\$ 67,103</u>	<u>\$ 69,539</u>	<u>\$ 50,861</u>	<u>\$ 63,398</u>	<u>\$ 65,573</u>	<u>\$ 72,895</u>	<u>\$ 91,358</u>	<u>\$ 93,999</u>
Total Net Debt (voted and unvoted) Applicable to the Direct Limit as a Percentage of Direct Debt Limit	20.5%	18.2%	17.8%	15.9%	35.5%	28.7%	26.2%	22.3%	12.2%	10.4%
Unvoted Debt Limit	29,716	30,717	33,263	33,675	32,123	36,148	36,148	38,130	42,225	42,550
Total Unvoted Net Debt Applicable to Unvoted Debt Limit	<u>14,909</u>	<u>13,708</u>	<u>14,555</u>	<u>13,148</u>	<u>27,948</u>	<u>25,472</u>	<u>23,297</u>	<u>20,930</u>	<u>12,703</u>	<u>10,875</u>
Unvoted Legal Debt Margin	<u>\$ 14,807</u>	<u>\$ 17,009</u>	<u>\$ 18,708</u>	<u>\$ 20,527</u>	<u>\$ 4,175</u>	<u>\$ 10,676</u>	<u>\$ 12,851</u>	<u>\$ 17,200</u>	<u>\$ 29,522</u>	<u>\$ 31,675</u>
Total Unvoted Net Debt Applicable to the Unvoted Limit as a Percentage of the Unvoted Debt Limit	50.2%	44.6%	43.8%	39.0%	87.0%	70.5%	64.4%	54.9%	30.1%	25.6%

Source: Clermont County Auditor

Table 16  
**Clermont County, Ohio**  
 Schedule of Enterprise Revenue Bond Coverage  
 Last Ten Years

	Year	Revenue <sup>1</sup>	Operating Expenses Excluding Depreciation	Net Revenue Available Debt Service	Revenue Bond Debt Service Requirement	Coverage Excluding System Capacity Charges (percent)	System Capacity Charges <sup>2</sup>	Coverage Including System Capacity Charges <sup>3</sup> (percent)
<b>Sewer Fund</b>	1997	\$ 14,859,656	\$ 7,018,937	\$ 7,840,719	\$ 3,567,087	220	\$ 2,601,350	293
<b>Bond Coverage</b>	1998	15,416,884	6,659,675	8,757,209	3,568,150	245	2,594,590	318
	1999	15,141,262	6,307,101	8,834,161	3,567,600	248	3,225,579	338
	2000	17,356,125	6,135,561	11,220,564	3,569,140	314	3,002,297	398
	2001	15,940,686	5,838,336	10,102,350	4,062,910	249	2,966,092	322
	2002	15,254,665	6,168,849	9,085,816	3,930,261	231	2,592,245	324
	2003	14,146,024	5,492,641	8,653,383	3,563,980	243	2,609,961	316
	2004	14,330,869	6,699,408	7,631,461	3,117,791	245	2,349,100	303
	2005	15,232,573	7,290,988	7,941,585	3,117,670	255	2,897,416	348
	2006	15,715,633	7,568,456	8,147,177	3,114,970	262	2,082,230	329
<b>Water Fund</b>	1997	\$ 12,039,971	\$ 5,145,581	\$ 6,894,390	\$ 4,155,162	166	\$ 1,503,465	202
<b>Bond Coverage</b>	1998	12,972,984	5,291,643	7,681,341	4,156,962	185	1,626,515	224
	1999	13,436,745	5,462,628	7,974,117	4,157,408	192	1,996,085	240
	2000	13,104,773	5,267,309	7,837,464	4,159,467	188	1,946,300	235
	2001	12,768,386	4,797,644	7,970,742	4,156,413	192	1,825,655	236
	2002	13,141,743	5,180,884	7,960,859	4,156,412	192	1,678,790	232
	2003	11,631,114	5,033,156	6,597,958	4,155,993	159	2,084,464	211
	2004	11,807,019	5,391,852	6,415,167	3,468,560	185	1,509,687	214
	2005	12,578,416	6,622,638	5,955,778	3,467,405	172	1,867,185	226
	2006	12,303,598	6,643,188	5,660,410	3,463,905	163	1,528,292	207

Source: Clermont County Sewer District

<sup>1</sup>Including investment income

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

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



Table 17  
**Clermont County, Ohio**  
 Demographic and Economic Statistics  
 Last Ten Years

Year	Population <sup>1</sup>	Per Capita Income <sup>2</sup>	Personal Income <sup>3</sup>	Unemployment Rate <sup>4</sup>	Median Age <sup>2</sup>	K-12 School Enrollment <sup>5</sup>	Average Sales Price of Residential Property <sup>6</sup>
1997	172,010	\$ 19,290	\$ 3,318,072,900	4.1%	33.27	28,739	\$ 132,245
1998	174,320	22,530	3,927,429,600	3.5%	33.52	28,384	135,131
1999	175,960	26,340	4,634,786,400	3.7%	33.66	28,363	139,160
2000	182,660	25,707	4,695,640,620	3.3%	33.87	28,145	144,633
2001	184,320	28,255	5,207,961,600	4.1%	33.75	27,974	149,350
2002	184,030	29,997	5,520,347,910	4.5%	35.30	27,874	154,495
2003	185,704	33,000	6,128,232,000	6.3%	35.82	28,150	167,972
2004	188,614	32,793	6,185,218,902	6.6%	35.47	28,289	167,980
2005	190,589	33,817	6,445,148,213	5.4%	35.67	28,430	173,500
2006	192,706	35,321	6,806,568,626	5.2%	36.35	28,856	182,223

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

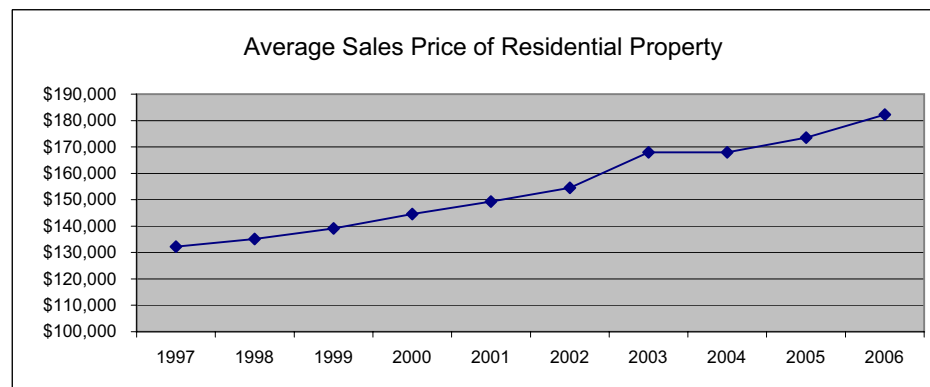
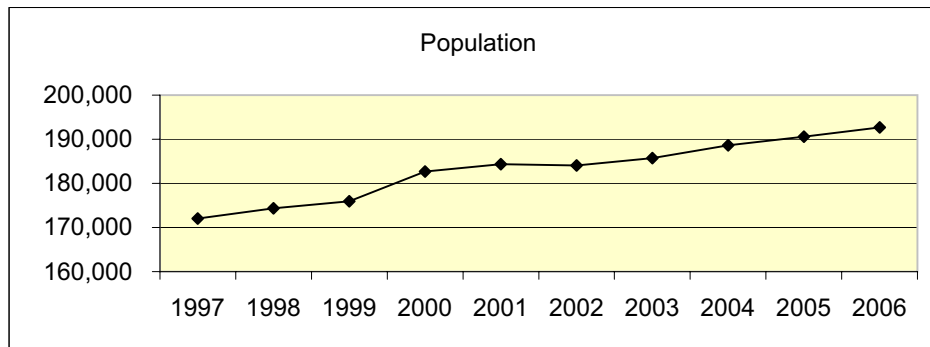


Table 18  
**Clermont County, Ohio**  
Principal Employers  
Current Year and Nine Years Ago

<b>2006</b>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Clermont County	1,470	1.45%
Batavia Transmissions	1,335	1.32%
The Midland Company	1,200	1.18%
West Clermont Local School District	1,119	1.10%
Milford Exempted Village School District	832	0.82%
UGS Corporation	656	0.65%
Mercy Hospital Clermont	636	0.63%
Total Quality Logistics	627	0.62%
International Paper	627	0.62%
Milacron, Inc.	600	0.59%
<b>Total</b>	<b>9,102</b>	<b>8.99%</b>

<b>1997</b>		
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total County Employment</u>
Cincinnati Milacron	1,400	1.59%
Clermont County	1,360	1.54%
Ford Motor Company	1,275	1.44%
Structural Dynamics Research Corp	1,200	1.36%
U.S. Precision Lens	1,000	1.13%
West Clermont Local School District	756	0.86%
Cinergy Corporation	700	0.79%
Cincinnati Bell Telephone	700	0.79%
Mercy Hospital Clermont	700	0.79%
Milford Exempted Village School District	600	0.68%
<b>Total</b>	<b>9,691</b>	<b>10.98%</b>

Source: Clermont County Chamber of Commerce

Table 19  
**Clermont County, Ohio**  
 Full-Time Equivalent County Government Employees by Function/Program  
 Last Ten Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Legislative and Executive	164.0	160.5	162.0	187.0	193.0	207.0	202.0	200.0	201.0	206.5
Judicial	140.0	131.5	135.5	138.0	145.5	145.0	143.5	145.5	149.0	152.0
Public Safety	292.5	302.0	312.5	312.5	326.5	338.0	341.0	348.5	358.5	352.5
Public Works	59.0	58.5	61.0	60.5	63.5	66.5	64.5	63.5	63.0	69.0
Health	1.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	4.0	2.0
Human Services	243.0	249.0	222.0	217.5	224.5	225.5	221.0	219.5	215.5	221.5
Community Development	4.5	2.0	5.5	7.5	7.5	5.0	6.0	4.0	4.5	5.5
Economic Development <sup>4</sup>	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.0	2.0	4.0
Transportation <sup>1</sup>	25.5	26.0	20.0	25.5	27.0	26.5	22.5	15.0	14.5	14.5
Water <sup>2</sup>	55.5	57.0	51.0	7.0	6.5	5.5	4.5	37.5	37.5	46.0
Sewer <sup>3</sup>	69.5	64.0	51.0	7.0	6.5	5.5	36.0	43.5	43.5	48.0
<b>Total</b>	<b>1,054.5</b>	<b>1,052.5</b>	<b>1,022.5</b>	<b>964.5</b>	<b>1,002.5</b>	<b>1,026.5</b>	<b>1,043.0</b>	<b>1,082.0</b>	<b>1,093.0</b>	<b>1,121.5</b>

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

<sup>1</sup>Community Transportation became a department of the Board of County Commissioners in 1997.  
<sup>2</sup>In 2000, the Sewer District contracted its operations of water distribution and customer billing to a vendor. In 2004, the contract was terminated and operations reverted back to the County.  
<sup>3</sup>In 2000, the Sewer District contracted its operations of the collection system to a vendor. In 2003, the contract was terminated and operations reverted back to the County.  
<sup>4</sup>Economic Development became a department of the Board of County Commissioners in 2004.

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

	1997	1998	1999	2000
<b>General Government</b>				
<b>Legislative and Executive<sup>1</sup></b>				
Value of New Construction	\$ 75,393,840	\$ 73,591,350	\$ 87,868,500	\$ 82,997,470
Number of Parcels	74,442	76,137	78,230	80,086
Purchase Orders Issued	9,794	9,199	8,593	7,343
Payroll Checks Processed	19,667	17,621	16,532	14,862
<b>Judicial</b>				
Municipal Court Cases <sup>2</sup>	36,725	42,696	43,419	42,594
Common Pleas Court Cases <sup>3*</sup>	3,579	3,466	6,252	6,578
Juvenile Court Cases <sup>4</sup>	7,871	7,730	6,983	5,965
Probate Court Cases <sup>4</sup>	2,262	2,599	2,597	2,549
Domestic Relations Court Cases <sup>5</sup>	4,416	4,311	3,842	4,111
DUI Court Cases <sup>2</sup>				
<b>Public Safety</b>				
Construction Permits Issued <sup>6</sup>	1,666	1,710	2,391	2,742
Estimated Value of Construction <sup>6</sup>	\$ 165,313,600	\$ 203,997,894	\$ 215,928,556	\$ 572,840,000
Total Arrests <sup>7</sup>	4,448	5,405	5,889	4,947
Average Number of Prisoners <sup>7</sup>		259	290	312
Motor Vehicle Accidents <sup>7</sup>		467	594	741
Calls for Service <sup>8**</sup>				190,314
<b>Public Works</b>				
Miles of Roads Resurfaced <sup>9</sup>	21	34	23	27
Number of Bridges Improved <sup>9</sup>			5	5
Tons of Snow Melting Salt Used <sup>9</sup>	2,986	4,052	2,268	3,176
<b>Health</b>				
Tons of Garbage Recycled <sup>10</sup>	36,736	34,641	35,545	146,082
Number of Dog Licenses Issued <sup>1</sup>	16,866	15,825	16,168	16,980
<b>Human Services<sup>11</sup></b>				
Child Support Payments Collected	\$ 28,046,125	\$ 29,828,823	\$ 31,750,696	\$ 32,486,521
Number of Foster Parents				63
Children Service Cases Processed				
Amount of Food Stamps Administered	\$ 5,674,210	\$ 4,275,785	\$ 3,844,289	\$ 3,889,578
Visits to Workforce Resource Center				1,429
<b>Community Development</b>				
CDBG Loan Applications Approved in dollars <sup>13</sup>	\$ 414,500	\$ 70,000	\$ 0	\$ 1,262,000
<b>Economic Development</b>				
Enterprise Zone Projects Approved in Square Feet <sup>12</sup>	415,300	336,262	177,750	339,500
<b>Transportation<sup>14</sup></b>				
Number of Pick-ups		181,094	107,668	103,108
Miles Transported		1,218,151	1,190,266	1,148,268
<b>Water<sup>15</sup></b>				
Water Bills Processed				
Value of Construction Projects Completed	\$ 1,795,363	\$ 1,993,205	\$ 1,407,872	\$ 2,435,869
<b>Sewer<sup>15</sup></b>				
Sewer Bills Processed				
Value of Construction Projects Completed	\$ 1,051,112	\$ 4,094,543	\$ 1,103,006	\$ 1,122,315

Source:

<sup>1</sup> Clermont County Auditor

<sup>2</sup> Municipal Clerk of Courts

<sup>3</sup> Common Pleas Court - General Division

<sup>4</sup> Common Pleas Court - Juvenile and Probate Divisions

<sup>5</sup> Common Pleas Court - Domestic Relations Division

<sup>6</sup> Clermont County Permit Central

<sup>7</sup> Clermont County Sheriff

<sup>8</sup> Clermont County Department of Public Safety

<sup>9</sup> Clermont County Engineer

<sup>10</sup> Clermont County Office of Environmental Quality

<sup>11</sup> Clermont County Department of Job & Family Services

<sup>12</sup> Clermont County Department of Economic Development

<sup>13</sup> Clermont County Department of Community Development

<sup>14</sup> Clermont Transportation Connection

<sup>15</sup> Clermont County Sewer District

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

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

	2001	2002	2003	2004	2005	2006
\$	89,296,900	\$ 99,109,910	\$ 102,716,410	\$ 94,925,330	\$ 100,759,780	\$ 75,874,780
	81,958	83,389	84,959	86,381	88,521	91,051
	6,616	6,654	6,716	7,565	8,207	7,861
	13,892	13,138	12,317	11,951	13,603	8,151
	42,217	46,371	47,120	44,838	45,674	38,511
	6,576	7,900	9,007	7,998	9,147	7,260
	6,128	6,423	6,425	6,612	6,777	4,119
	2,401	2,482	2,451	2,478	2,534	2,314
	4,822	4,985	4,275	3,918	3,541	3,343
					2,354	2,317
	4,065	4,832	4,180	4,487	5,019	5,023
\$	293,721,005	\$ 288,530,410	\$ 344,415,586	\$ 292,534,095	\$ 324,040,061	\$ 293,395,656
	6,117	6,337	5,798	6,622	6,468	6,675
	322	326	336	331	334	314
	636	889	679	553	504	1,760
	196,322	199,274	203,782	203,760	67,327	57,490
	29	27	29	35	29	29
	15	22	15	14	11	8
	1,117	6,962	6,066	5,050	3,906	1,718
	536,345	605,621	661,629	623,686	741,256	631,119
	16,031	17,613	18,186	19,209	18,270	34
\$	33,960,426	\$ 34,028,184	\$ 35,292,583	\$ 34,856,026	\$ 36,304,266	\$ 36,601,225
	60	60	69	71	82	102
	1,221	1,534	1,549	1,421	1,430	1,372
\$	4,795,484	\$ 6,403,603	\$ 7,900,358	\$ 9,618,150	\$ 9,397,139	\$ 12,617,219
	5,969	15,354	19,983	20,952	19,808	21,013
\$	342,700	\$ 627,600	\$ 671,000	\$ 750,000	\$ 608,000	\$ 689,000
	268,250	96,245	15,000	148,700	355,000	84,000
	107,527	105,040	107,527	79,714	78,822	41,721
	1,205,846	1,151,555	1,152,871	984,377	852,572	470,534
		205,542	228,474	224,220	231,472	238,496
\$	3,698,360	\$ 3,086,177	\$ 6,509,541	\$ 4,273,516	\$ 4,846,529	\$ 8,692,548
		188,708	202,933	198,920	205,204	214,017
\$	6,394,889	\$ 12,794,085	\$ 3,389,534	\$ 1,080,889	\$ 2,541,128	\$ 4,747,229

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

	1997	1998	1999	2000	2001
<b>General Government</b>					
<b>Legislative and Executive</b>					
Number of Buildings <sup>2</sup>	10	10	10	10	10
Square Footage Occupied <sup>1</sup>	87,050	87,050	87,050	87,050	87,050
Number of Vehicles <sup>2</sup>	44	54	56	58	61
<b>Judicial</b>					
Number of Buildings <sup>2</sup>	4	4	4	4	4
Square Footage Occupied <sup>1</sup>	100,252	100,252	100,252	100,252	100,252
<b>Public Safety</b>					
<b>Building Inspection</b>					
Square Footage Occupied <sup>1</sup>	14,518	14,518	14,518	14,518	14,518
Number of Vehicles <sup>2</sup>	10	8	7	7	7
<b>Sheriff</b>					
Square Footage of Administration <sup>1</sup>	19,281	19,281	19,281	19,281	19,281
Square Footage of Jail <sup>1</sup>	105,000	105,000	105,000	105,000	105,000
Number of Vehicles <sup>2</sup>	52	42	48	51	64
<b>Communication Center</b>					
Number of Radio Towers <sup>2</sup>	0	0	0	0	9
Square Footage Occupied <sup>1</sup>	7,829	7,829	7,829	7,829	7,829
<b>Public Works</b>					
Miles of Streets <sup>3</sup>	381	382	383	381	382
Number of Bridges <sup>3</sup>	390	391	392	392	394
<b>Health</b>					
Number of Recycle Stations <sup>4</sup>	8	8	8	10	9
<b>Human Services</b>					
Square Footage Occupied <sup>1</sup>	80,129	80,129	80,129	80,129	80,129
Number of Vehicles <sup>2</sup>	17	14	16	19	26
<b>Community Development</b>					
Square Footage Occupied <sup>1</sup>	6,815	6,815	6,815	6,815	6,815
<b>Economic Development</b>					
Square Footage Occupied	0	0	0	0	0
<b>Transportation</b>					
Number of Vehicles <sup>2*</sup>	25	26	28	24	26
<b>Water</b>					
Miles of Water Lines <sup>5</sup>	604	616	631	645	666
Number of Water Treatment Plants <sup>5</sup>	3	3	3	3	3
<b>Sewer</b>					
Miles of Sewer Lines <sup>5</sup>	468	479	489	503	513
Number of Wastewater Treatment Plants <sup>5</sup>	10	10	10	10	10

Source:

<sup>1</sup>Arthur J. Gallagher & Co.

<sup>2</sup>Clermont County Auditor

<sup>3</sup>Clermont County Engineer

<sup>4</sup>Environmental Quality Office

<sup>5</sup>Clermont County Water and Sewer District

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

2002	2003	2004	2005	2006
10	10	11	11	11
87,050	87,050	99,521	99,521	99,521
61	67	63	56	60
4	4	3	3	3
100,252	100,252	135,507	135,507	135,507
14,518	14,518	14,518	14,518	14,518
8	8	8	10	12
19,281	19,281	19,281	19,281	19,281
105,000	105,000	105,000	105,000	132,494
71	70	69	69	79
9	9	9	9	9
7,829	7,829	7,829	7,829	7,829
382	382	382	382	382
394	394	394	398	395
8	8	23	30	34
80,129	80,129	80,129	80,129	80,129
22	22	22	24	28
6,815	6,815	3,408	3,408	3,408
0	0	3,407	3,407	3,407
27	30	23	22	22
678	710	730	739	764
3	3	3	3	3
520	558	575	579	660
10	10	10	10	10







**Mary Taylor, CPA**  
Auditor of State

**FINANCIAL CONDITION**

**CLERMONT COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 25, 2007**