

**ERIE COUNTY**  
**Sandusky, Ohio**

**REPORTS ISSUED PURSUANT TO**  
**THE OMB CIRCULAR A-133**  
**December 31, 2005**





Mary Taylor, CPA  
Auditor of State

Board of County Commissioners  
Erie County  
247 Columbus Ave, Suite 210  
Sandusky, Ohio 44870

We have reviewed the *Independent Auditor's Report* of Erie County prepared by Clifton Gunderson LLP, for the audit period January 1, 2005 through December 31, 2005. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

July 24, 2007

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**Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on Audit of Financial Statements Performed  
in Accordance with Government Auditing Standards**

Board of County Commissioners  
Erie County  
Sandusky, Ohio

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Erie County, Ohio (the County) as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 19, 2007. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and responses as items 2005-1, 2005-2, 2005-3, 2005-4, 2005-5 and 2005-6.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider item 2005-1 to be a material weakness. We noted certain additional matters that we reported to the management of Erie County in a separate letter dated January 19, 2007.

Board of County Commissioners  
Erie County

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*Clifton Henderson LLP*

Toledo, Ohio  
January 19, 2007



**Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Program and on Internal Control Over  
Compliance and Schedule of Expenditures of Federal Awards  
in Accordance With OMB Circular A-133**

Board of County Commissioners  
Erie County  
Sandusky, Ohio

**Compliance**

We have audited the compliance of Erie County, Ohio (the County) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2005-9.

### **Internal Control over Compliance**

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

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 2005-7, 2005-8, and 2005-10.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

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

We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of Erie County as of and for the year ended December 31, 2005, and have issued our report thereon dated January 19, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

*Clifton Henderson LLP*

Toledo, Ohio  
January 19, 2007

ERIE COUNTY, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2005

Federal Grantor/PassThrough Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Passed Through Ohio Department of Education:			
Nutrition Cluster:			
Food Donation - Noncash	10.550	222-1652	\$ 2,283
Food Distribution/Commodities - Noncash	10.550	222-1652	2,176
Sub-Total CFDA 10.550			4,459
School Breakfast Program	10.553	074740-05PU	18,206
National School Lunch Program	10.555	074740-LLP4	27,565
National School Lunch Program	10.555	065961-LLP4	2,130
Total Nutrition Cluster			47,901
Passed Through USDA Rural Development:			
Solid Waste Mgmt Grants	10.762	41-022-C346400428	47,842
		41-022-C346400428	18,966
Sub-Total CFDA 10.762			66,808
<b>Total U.S. Department of Agriculture</b>			\$ 119,168
<b>U.S. Department of Housing and Urban Development</b>			
Passed through the Ohio Department of Development:			
CDBG-Small Cities Program			
	14.228	B-F-02-021-1	\$ 269
		B-F-03-021-1	76,992
		B-F-04-021-1	92,060
		B-C-02-021-1	3,455
		B-C-04-021-1	103,616
Sub-Total CFDA 14.228			276,392
Emergency Shelter Grants Program	14.231	B-L-04-021-1	65,300
CDBG-Home Investment Ptnrship	14.239	B-C-04-021-2	80,588
<b>Total U.S. Department of Housing and Urban Development</b>			\$ 422,280
<b>U.S. Department of Justice</b>			
Passed through the Ohio Attorney General's Office:			
VOCA			
	16.575	2006VAGENE046	\$ 23,589
		2005VAGENE046T	9,948
		2005VAGENE476	6,192
		2005VAGENE544	7,362
Sub-Total CFDA 16.575			47,091
Passed through the Ohio Office of Criminal Justice Services:			
Byrne Formula Grant Program			
	16.579	2003-DG-F01-7367	4,881
		2003-DC-C01-7367	60,582
Sub-Total CFDA 16.579			65,463
Advocacy Awareness-Training	16.588	2004-WF-VA5-8114	27,726
		2001-WF-VA8-8114A	26,405
Sub-Total CFDA 16.588			54,131
Juvenile Acctability Incentive Block Grant	16.523	2002-JB-001-B005	29,471
<b>Total U.S. Department of Justice</b>			\$ 196,156

ERIE COUNTY, OHIO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2005

Federal Grantor/PassThrough Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Labor</b>			
Passed Through Ohio Department of Job and Family Services:			
Workforce Investment Act Cluster:			
WIA Adult Program	17.258		\$ 123,213
WIA Adult Admission Program	17.258		5,275
WIA Youth Activities	17.259		187,399
WIA Dislocated Workers	17.260		61,905
WIA Dislocated Workers	17.260		2,730
Total Workforce Investment Act Cluster			<u>380,522</u>
<b>Total U.S. Department of Labor</b>			<u>\$ 380,522</u>
<b>U.S. Department of Transportation</b>			
Passed through Ohio Department of Transportation:			
Highway Planning & Construction	20.205		\$ 75,075
		CEO02	13,013
		CEO06	6,784
		CE31H	11,329
		CE13H	90,700
		CEP03	80,531
		PID 23978 ERI-CR-PM-FY05	184,516
		PID 23920 ERI-CR 14-00.70	270,305
		PID 23919 ERI-TR 26-00.60	308,882
		PID 23925 ERI-CR 10-03.00	12,590
		PID 23922 ERI-TR 0024 03.97	9,884
		PID 23923 ERI-CR 0061 01.79	4,756
		PID 23924 ERI-TR 0106 02.01	<u>1,068,365</u>
Sub-Total CFDA 20.205			<u>\$ 1,068,365</u>
<b>Total U.S. Department of Transportation</b>			<u>\$ 1,068,365</u>
<b>U.S. Department of Education</b>			
Passed Through Ohio Department of Education:			
Special Education Cluster:			
Special Education: Grants to States	84.027	065961-6B-SF-2005	\$ 4,778
Special Education: Grants to States	84.027	065961-6B-SF-2006	1,596
Special Education: Preschool Grants	84.173	065961-PG-S1-2006	3,178
Special Education: Preschool Grants	84.173	065961-PG-S1-2005	1,370
Innovative Program Title V	84.173A	065961-C2S1-2005	9
Innovative Program Title V	84.173A	065961-C2S1-2006	12
Total Special Education Cluster			<u>10,943</u>
Passed Through the Ohio Department of Health:			
Special Ed: Grants for Infants & Families with Disabilities	84.181A	22-1-003-1-EG-05/06	<u>102,276</u>
<b>Total U.S. Department of Education</b>			<u>\$ 113,219</u>

ERIE COUNTY, OHIO  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2005

Federal Grantor/PassThrough Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<b>U.S. Department of Health and Human Services</b>			
Passed through the Ohio Department of Mental Retardation and Developmental Disabilities:			
Temporary Assistance for Needy Families	93.558	FY05-06	\$ 236,593
Title XX Block Grant	93.667	FY05-06	58,997
St. Child Health Ins (SCHIP)	93.767	780221	1,545
Medical Assistance Program - TCM	93.778	780221	209,432
Medical Assistance Program - CAFS		780221	297,635
Medical Assistance Program		780221	12,299
Sub-Total CFDA 93.778			<u>519,366</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>\$ 816,501</u>
<b>U.S. Department of Homeland Security</b>			
Passed through the Ohio Emergency Management Agency			
State Domestic Preparedness Equipment Support Program	97.004	2002-TE-CX-0106	\$ 81,309
		2003-TE-TX-0199	110,062
		2003-MUP-30015	211,764
		2004-GE-T4-0025	20,081
		2004-GE-T4-0025	303,549
		2005-GE-T5-0001	163,920
Sub-total for CFDA 97.004			<u>890,685</u>
Natural Hazards Mitigation Plan	97.039	FEMA-DR-1453-ST-OH	19,775
Emergency Mgmt Performance Grants	97.042	2005-EM-T5-0001	38,009
<b>Total U.S. Department of Homeland Security</b>			<u>\$ 948,469</u>
<b>Total Expenditure of Federal Awards</b>			<u>\$ 4,064,680</u>

The accompanying notes are an integral part of this schedule.

**ERIE COUNTY, OHIO**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the year ended December 31, 2005**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 - CHILD NUTRITION CENTER**

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.

**NOTE 3 - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

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

These loans are collateralized by equipment and other assets. At December 31, 2005, the gross amount of loans outstanding under this program was \$185,526.

This information is an integral part of the accompanying schedule.

# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs

### Section I—Summary of Auditor's Results

#### Financial Statements

Type of auditor's report issued:

Unqualified

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Reportable condition(s) identified that are not considered to be material weaknesses?  yes  none reported
- Noncompliance material to financial statements noted?  yes  no

#### Federal Awards

Internal control over major programs:

- Material weakness(es) identified?  yes  no
- Reportable condition(s) identified that are not considered to be material weakness(es)?  yes  none reported

Type of auditor's report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

yes  no

Identification of major programs:

#### CFDA Number(s)

#### Name of Federal Program or Cluster

93.778

Medical Assistance Program (Medicaid)

97.004

State of Domestic Preparedness Equipment Support Program

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee?  yes  no

# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section II—Financial Statement Findings

#### Reference 2005-1 – Bank Reconciliations

##### Criteria

The timely preparation of bank reconciliations is a key component of internal controls.

##### Condition

Bank reconciliations were not completed throughout 2005, since implementation of the new general ledger software.

##### Effect

Without timely preparation and completion of bank reconciliation, and the review by someone other than the preparer, errors or irregularities may go undetected or may not be detected in a timely manner.

##### Recommendation

We recommend bank reconciliations be completed in a timely manner. We also recommend the preparer sign and date the reconciliation to document completion. The supervisor should also sign and date the reconciliation indicating they have reviewed for completion and any unusual reconciling items have been appropriately cleared.

##### County's Response and Planned Corrective Action

The Auditor's Office is in the process of completing the bank reconciliations.



# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section II—Financial Statement Findings, Continued

#### Reference 2005-2 – Adjusting Entries

##### Criteria

Accurate financial statements, both annual and interim, are necessary to measure performance, ensure compliance with grantors requirements, and to make informed decisions.

##### Condition

Three large differences were noted between the fixed asset system and the Comprehensive Annual Financial Report (CAFR). These items were identified in prior years but the appropriate entries were not made to the fixed asset system and in one case, the entry was never properly reflected on the CAFR but was made to the fixed assets system.

##### Effect

This oversight resulted in the correction of an error and the approximately \$2.9 million restatement of the beginning of year net assets for the landfill enterprise fund.

##### Recommendation

In order to prevent such misstatements in the future, we recommend County management carefully review all year end adjusting journal entries to ensure that all non-reversing entries are identified and entered into the County's general ledger system and that they are properly communicated to the firm compiling the CAFR.

##### County's Response and Planned Corrective Action

The Auditor's Office will review all adjusting journal entries made to ensure they are properly communicated to the firm in the compilation of our CAFR.

# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section II—Financial Statement Findings, Continued

#### Reference 2005-3 – Segregation of Duties – Payroll Cycle

##### **Criteria**

Segregation of duties is a key component of internal controls.

##### **Condition**

There is no formal policy or procedure in effect addressing pay rate changes.

##### **Effect**

It is difficult for the County personnel to provide verification or sufficient documentation of pay rates for employees and increased the possibility of an unauthorized change in payroll.

##### **Recommendation**

We strongly encourage standardization of payroll rate changes which will more easily enable verification of pay rates and help reduce the risk of unauthorized payroll changes. Also, there is no formal listing indicating who is authorized to enter and approve payroll, as well as pick up payroll checks for distribution. We recommend a listing be prepared detailing which department personnel have the authority to request payroll changes and distribute payroll checks.

##### **County's Response and Planned Corrective Action**

In 2006, the Auditor's Office implemented a new policy for rate changes for employees. When an employee receives a rate change during the year, their immediate supervisor is required to fill out an "Employee Compensation Form" which documents the date the change is to go into effect, as well as has a department head/elected official's signature. At the beginning of the fiscal year, departments are also to fill out "Departmental Employee Approval Forms". These forms list who is authorized to enter payroll, approve payroll, and pick up checks for each department.

# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section II—Financial Statement Findings, Continued

#### Reference 2005-4 – Approval and Authorization – Cash Disbursements Cycle

##### Criteria

Approval and authorization are key components of internal controls over disbursements.

##### Condition

We identified instances in which invoices were paid prior to approval for disbursement was obtained. We also noted invoices were approved by individuals that were not included on the list of departmental employees authorized to approve expenditures maintained by the Auditor's Office. Upon further review, the list provided to the Auditor's Office did not reflect revisions of authorized departmental individuals.

##### Effect

Inappropriate cash disbursements could be made and go undetected.

##### Recommendation

We recommend the Auditor's office more closely review invoices prior to payment to ensure proper approvals are obtained by authorized departmental employees. Any invoices not containing proper approval should not be paid until approval issues are fully resolved. In addition, receiving reports are not consistently prepared at the time of receipt. We recommend departments receiving goods prepare and sign receiving reports and attach packing/shipping documents to the invoice and forward this voucher packet to the Auditor's Office for review and payment. Preparing a receiving report allows for individuals approving the invoice to ensure the actual items and quantities received agrees to the items and quantities as documented on the vendor invoice.

##### County's Response and Planned Corrective Action

The accounts payable clerks will carefully review all invoices prior to payment to ensure proper approvals are obtained before payment is made. Departments will be made aware that they are required to sign off on an invoice/receiving report indicating that goods were actually received before payment can be made from the Auditor's Office.

# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section II—Financial Statement Findings, Continued

#### Reference 2005-5 – Property Taxes – Revenue Controls

##### **Criteria**

Segregation of duties is a key component of internal controls.

##### **Condition**

Presently, an update journal for personal property taxes is printed daily and compared to the returns entered into the personal property tax system for that respective day. The update report is used by the individual entering data to verify accuracy of the data entry.

##### **Effect**

Errors may go undetected and the effectiveness of the detective control is compromised.

##### **Recommendation**

We recommend management consider assigning this responsibility of reconciling the update report to the returns to someone other than the data entry individual. The segregation of this control function will strengthen control over property tax revenue.

##### **County's Response and Planned Corrective Action**

We will take this recommendation under consideration.

# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section II—Financial Statement Findings, Continued

#### Reference 2005-6 – Title Administration Department – Cash Receipt Controls

##### Criteria

Controls over cash receipts must be in place and operating effectively to reduce the risk of misappropriation.

##### Condition

Each employee is responsible for administering their respective computer terminal. This includes, but is not limited to, receiving cash, receipting cash and reconciling cash on hand to the Title Department's financial system at the end of the business day. Detailed daily receipt transaction reports are not being printed and reviewed for unusual entries, such as a high number of voided transactions, by appropriate department personnel. It is the department's current practice to delegate processing of batch titles, such as those received from a car dealership, amongst its employees. However, the employees receiving the batch retains the lump-sum check while distributing the cash from his/her drawer to the other employees receiving the batch. The employees receiving the cash will then record the receipts as cash when in fact the lump-sum payment was in the form of a check.

##### Effect

The conditions could allow for instances of cash lapping to go undetected.

##### Recommendation

We recommend the Title Administration Department develop and implement procedures to ensure adequate segregation of duties and receipt monitoring are in place. Such procedures should include, but are not limited to, the following: 1) Establishing end of the day balancing procedures that involve employees separate from the cash collection and receipts for each drawer balancing to the on-screen drawer reconciliation; 2) Daily detail receipt reports should be printed and reviewed by appropriate personnel (i.e., Deputy Clerk of courts) in order to identify unusual receipt patterns such as high instances of voided titles/receipts; 3) Due care should be executed in order to ensure the proper description and coding is entered so as to identify the appropriate method of title payment (cash, check); and 4) Discontinuing the practice of allowing employees to issue cash to one another in order to process batch title receipts that have been paid for in a lump-sum check, with the receiving employees recording payments in the form of cash. Additionally, measures should be taken to ensure that daily receipts remain in tact from the time of collection until the time of deposit.

##### County's Response and Planned Corrective Action

The recommendation has been communicated to the Clerk of Courts.

# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section III—Federal Award Findings and Questioned Costs

#### Reference 2005-7 – Schedule of Expenditures of Federal Awards

All Federal Grants

#### **Criteria**

The schedule of expenditures of federal awards should accurately capture current year expenditures for all federal grants and awards.

#### **Condition**

The County does not have effective controls to ensure the completeness and accuracy of the schedule of expenditures of federal awards.

#### **Effect**

An accurate schedule of expenditures of federal awards is essential for ensuring the County's compliance with federal grant requirements. In addition, the determination of major programs to be audited in the annual OMB Circular A-133 audit could be adversely effected and lead to the erroneous inclusion or exclusion of a major program.

#### **Recommendation**

County management must implement preparation and review procedures to ensure the accuracy and completeness of the schedule of expenditures of federal awards.

#### **County's Response and Planned Corrective Action**

The Auditor's Office will begin verification procedures of the information the County departments forward the Auditor's Office for the federal schedule to verify its accuracy.

# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section III—Federal Award Findings and Questioned Costs, Continued

#### Reference 2005-8 – Cash Management

Pass-Through Ohio Department of MRDD  
Medicaid  
CFDA 93.778

Passed-Through Ohio Emergency Management Agency  
State of Domestic Preparedness  
CFDA 97.004

See details at finding 2005-1 in Section II – Financial Statement Findings.

# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section III—Federal Award Findings and Questioned Costs, Continued

#### Reference 2005-9 – Matching, Level of Effort, and Earmarking

Passed-Through Ohio Department of MRDD  
Medicaid  
CFDA 93.778

#### **Criteria**

The County receives an approximate 60% Medicaid payment for services provided and the remaining 40% is to be paid by local match funds.

#### **Condition**

In the determination of the sufficiency of the local match, we reviewed actual expenditures and the resulting actual unit billing rates and compared this rate to the rate billed during 2005. We determined the County was overpaid for adult transportation.

#### **Effect and Questioned Cost**

Based on the adult transportation units billed during 2005, the County was overpaid by \$16,988 during 2005.

#### **Recommendation**

We recommend a liability be recorded for this overpayment. In addition, we recommend management annually compare the actual billing rates based on the years actual expenditures to the rates billed for service throughout the year. Any excess should be recorded as a liability that will be paid to Ohio MRDD upon final reconciliation.

#### **County's Response and Planned Corrective Action**

The Business Manager at MRDD will record a liability for the overpayment of Medicaid.



# ERIE COUNTY, OHIO

## Schedule of Findings and Questioned Costs, Continued

### Section III—Federal Award Findings and Questioned Costs, Continued

#### Reference 2005-10 – Equipment and Real Property Management

Passed-Through Ohio Emergency Management Agency  
State of Domestic Preparedness Equipment Support Program  
CFDA 97.004

#### **Criteria**

A-102 Common Rule requires that equipment records be maintained, a physical inventory of equipment shall be taken at least once every two years and reconciled to the equipment records, an appropriate control system shall be used to safeguard equipment, and equipment shall be adequately maintained. In addition, if the equipment is sold the federal agency may have a right to a proportionate amount of the current fair market value.

#### **Condition**

Equipment purchased from the State of Domestic Preparedness Equipment Support Program procedure is not properly tracked. There is no tracking documentation to provide a useful listing of items with a life greater than one year and a cost of more than \$5,000. In addition, a physical inventory of these items has not been completed.

#### **Effect**

There is a possibility that with the lack of controls surrounding the equipment purchased under this grant that equipment could be misappropriated without the County's knowledge. In addition, the disposal of the equipment could result in funds due back to the Department of Homeland Security and without proper documentation, the County would be unable to recognize this liability.

#### **Recommendation**

We recommend County emergency management personnel complete a physical inventory of all equipment/property purchased with federal dollars and develop an inventory listing which would be updated annually to reflect the current year activity. Furthermore, we recommend management develop policies and procedures that will ensure adherence to the aforementioned equipment and property compliance requirements.

#### **County's Response and Planned Corrective Action**

The County's Emergency Management Agency will begin tracking equipment/property purchased with federal dollars that are in excess of \$5,000.

**ERIE COUNTY, OHIO**

**Summary of Prior Audit Findings**

NONE.

COMPREHENSIVE  
ANNUAL FINANCIAL REPORT

OF

ERIE COUNTY, OHIO

FOR THE

FISCAL YEAR ENDED DECEMBER 31, 2005

CONNIE L. WARD  
ERIE COUNTY AUDITOR

PREPARED BY  
BRIANNE L. MARKLEY  
FISCAL OFFICER

247 COLUMBUS AVENUE  
SANDUSKY, OHIO, 44870

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# INTRODUCTORY SECTION

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# ERIE COUNTY, OHIO

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2005

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# ERIE COUNTY, OHIO

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**CONNIE L. WARD**  
ERIE COUNTY AUDITOR

January 19, 2007

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                              627-7741

Administrative        627-6650

Estate Tax &         627-7746  
General

Real Estate:

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Assessment          627-7658  
CAMA                 627-7610  
CAUV                 627-7743  
Homestead           627-7742  
Personal Property   627-7742  
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Vendor's License    627-7746

Weights &            627-6650  
Measures



Secretary, Erie County Board of Revision  
Secretary, Erie County Budget Commission  
Member, Erie County Records Commission  
Sealer, Weights & Measures

To the Citizens of Erie County and  
the Board of County Commissioners,  
the Honorable Thomas M. Ferrell, Jr.,  
the Honorable Nancy C. McKeen,  
the Honorable William J. Mohaghan,

I am pleased to present the Erie County (the "County") Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2005. To the best of my knowledge, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County.

The information contained in this CAFR is designed to assist County officials in making management decisions and to provide the taxpayers of the County with comprehensive financial data in such a format as to enable them to gain an understanding of the County's financial affairs. The general public, as well as investors, will be able to compare the financial position of the County and the results of its operations with other government entities. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the County, specifically the County Auditor's Office.

This is the seventeenth CAFR consecutively issued by the County Auditor's office. This CAFR has been prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP), as set forth by the Governmental Accounting Standards Board (GASB) and other authoritative bodies, and the guidelines determined by the Government Finance Officers Association (GFOA).

This CAFR is presented in three sections:

1. The Introductory Section, which is unaudited, includes the table of contents, this letter of transmittal (which is intended to complement the Management's Discussion and Analysis and should be read in association with it), a list of elected officials, and the organization chart.
2. The Financial Section includes the Independent Auditor's Report, the Management's Discussion and Analysis, the Basic Financial Statements, the Notes to the Basic Financial Statements, and the Combining Statements and Individual Fund Schedules.
3. The Statistical Section, which is unaudited, includes statistical tables which reflect financial and demographic information, financial trends, and the fiscal capacity of the County.

#### GOVERNMENTAL STRUCTURE

The County was established in March, 1838. The County has only those powers conferred on it by Ohio statutes. The Board of County Commissioners (the "Board") is comprised of three members, elected at large in overlapping four-year terms, and acts as both the executive and legislative branches of the County government. The Board serves as the taxing authority, the principal contracting body, and the chief administrator of public services for the County. The annual operating budget and the annual appropriation measure for expenditures of all County funds is created and adopted by the Board.

The County provides its citizens with a wide range of services that include human and social services, health and community assistance services, civil and criminal justice system services and support, road and bridge maintenance, and other general and administrative support services. The County operates enterprise funds that include a water system, a wastewater system, a landfill, and a health care facility.

The County Auditor and County Treasurer, as well as the Board, have key roles in the financial functions of the government. The Treasurer serves a four-year term and is required by state law to collect certain locally assessed taxes. She is also responsible for investing all idle County funds as specified by Ohio law. The Treasurer is the distributing agent for expenditures authorized by the Board upon the Auditor's warrant. The Treasurer must make daily reports showing receipts and payments, and her books must balance with the Auditor. The Treasurer is a member of the County Board of Revision and, along with the County Auditor and County Prosecutor, forms the County Budget Commission. The Budget Commission plays an integral part in the financial administration of the County government, as well as local governments of the County, including its cities, villages, townships, school districts, and libraries.

The County Auditor, also elected to a four-year term, has the task of assessing real property for tax purposes. Under state law, a complete reappraisal must be conducted every six years, as well as a triennial update between appraisals. A complete reappraisal was completed in the year 2000. Following collection by the County Treasurer, the Auditor is responsible for distributing certain taxes to the various subdivisions within the County. The Auditor serves as Chief Financial Officer, as no contract or obligation may be made without his certification that funds have been lawfully appropriated, are available for payment, or are in the process of collection. In addition, no funds may be expended except on the Auditor's warrant drawn upon the County Treasury. The Auditor is responsible for payroll and maintains the accounting system. She also serves as secretary of the County Board of Revision and the County Budget Commission.

The other elected officials are the Recorder, the Sheriff, the Clerk of Courts, the Engineer, three Commons Pleas Court Judges, the County Court Judge, and the Coroner.

## **REPORTING ENTITY**

For financial reporting purposes, the County includes all funds, agencies, boards, and commissions that comprise the County (the primary government) and its component unit in accordance with the GASB Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organization Are Component Units". The primary government includes the financial activities of the County Board of Mental Retardation and Developmental Disabilities, Public Assistance and Children Services, and the County Care Facility. The County Auditor also serves as fiscal agent for the Erie-Ottawa Alcohol, Drug Addiction, and Mental Health Services Board, the Erie County Regional Planning Commission, the Erie-Ottawa Family and Children First Council, the Erie County Soil and Water Conservation District, the Erie County General Health District, and the Erie County Metroparks District. These entities are reported as agency funds, but are not part of the primary government.

Organizations that are legally separate from the County are included if the County's elected officials appoint a voting majority of the organization's governing body and if the County has either the ability to impose its will on the organization or there is the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the County. The County may also be financially accountable for governmental organizations that are fiscally dependent upon the County. Component units are legally separate organizations that are fiscally dependent on the County or for which the County is fiscally accountable.

Double S Industries, a workshop and non-profit corporation, is included as a component unit based on the significant services and resources provided by the County. A complete discussion of the County's reporting entity is provided in Note 2.A of the Basic Financial Statements.

## **ECONOMIC CONDITION AND OUTLOOK**

The County is located midway between Cleveland and Toledo, on the shores of Lake Erie, in the heart of the nation's Midwest region. The County has a solid economic base and continues to prosper.

The County offers a strong industrial base, according to the 2003 Harris Ohio Industrial Directory, ranking 30th among the 88 counties in the State in number of manufacturing firms located within its boundaries. Items manufactured locally range from automobile parts and fabrications, ball bearings, plastic products for boats, recreational items, lighting fixtures, aluminum and steel products, paper, pork, animal feeds, and crash test dummies.

Tourism continues to be a catalyst for the County's financial resources. Cedar Fair Limited Partnership (NYSE:FUN) is based in Sandusky, Ohio, the County seat, and serves as headquarters for the seven amusement parks that they operate. Cedar Point, the flagship park, is recognized by Guinness World Records as having the most roller coaster rides of any amusement park. More than 3 million people visit the County resort area annually. Castaway Bay, a 35,000 square foot water park built by Cedar Fair with construction estimated at \$22 million, debuted in late 2004.

## MAJOR INITIATIVES

Extensive construction projects are nearly complete to ensure that water service will be available to all County residents.

Construction has also been completed on the Kalahari Resort and Convention Center, located in Huron and Perkins Townships. A tax incremental financing agreement has been entered into in order to construct the necessary infrastructure for the project, with the first phase completed in early 2005. The resort features an 80,000 square foot indoor water park, a hotel, restaurants, shops, an outdoor water park, a convention center, and condominiums. Total year-round employment generated by the resort is estimated at 500 persons.

A tax incremental financing agreement was also entered into for the Quarry Lake Business Park in order to provide for infrastructure improvements. The 150-acre industrial park is located in Margaretta Township at the intersection of State Route 2 and Route 101.

## FINANCIAL INFORMATION

### Fund Accounting

The County's accounts are organized as funds. Each fund is a separate accounting entity with its own self-balancing set of accounts, assets, liabilities, and fund equity. The following are the classifications and descriptions of these funds.

#### Governmental Funds:

*General Fund* - The general fund is the general operating fund of the County. It is used to account for all financial resources traditionally associated with government which are not required to be accounted for in another fund.

*Special Revenue Funds* - The special revenue funds are used to account for revenues derived from specific taxes, grants, or other restricted revenue sources. County ordinances or federal or state statutes specify the limitations of each special revenue fund. During 2005, the County maintained 24 special revenue funds.

*Debt Service Funds* - The debt service funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and associated costs. The County maintained 2 debt service funds in 2005.

*Capital Projects Funds* - The capital projects funds are used to account for financial resources used for the acquisition or construction of capital facilities other than those financed by proprietary funds. During 2005, the County maintained 3 capital projects funds.

#### Proprietary Funds:

*Enterprise Funds* - The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The County operated 4 enterprise funds in 2005.

*Internal Service Funds* - The internal service funds are used to account for the financing of services provided by one department to other departments of the government, generally on a cost-reimbursement basis. During 2005, the County operated 1 internal service fund.

#### Fiduciary Funds:

*Investment Trust Fund* - The investment trust fund is used to account for monies held and invested on behalf of the Erie County Metroparks District. The County maintained 1 investment trust fund in 2005.

*Private-Purpose Trust Fund* - The private-purpose trust fund is used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments. During 2005, the County maintained 1 private-purpose trust fund.

*Agency Funds* - Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, or other funds. The County maintained 24 agency funds in 2005.

### Basis of Accounting

Except for budgetary purposes, the basis of accounting used by the County conforms to GAAP as applicable to governmental units and is consistent with GASB Cod. Sec. 1600, *Basis of Accounting*. Governmental funds are accounted for on the modified accrual basis of accounting and the current financial resources measurement focus. Revenues are recognized when they are both measurable and available. Expenditures are recognized when the related liability is incurred, except for interest on long-term debt, which is recorded when due.

Proprietary and fiduciary funds are accounted for on the accrual basis of accounting and the flow of economic resources measurement focus. Revenues are recognized when earned. Expenses are recognized when incurred.

The County's basis of accounting for budgetary purposes differs from GAAP. Revenues are recognized when they are received, rather than when they are susceptible to accrual (measurable and available). Encumbrances are included as expenditures, rather than as reservations of fund balance.

For the year ended December 31, 2005, the County has presented its financial reporting in accordance with GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". The government-wide financial statements, including governmental activities, are presented on the full accrual basis of accounting in order to comply with GASB Statement No. 34. As part of this reporting model, management is responsible for preparing a management's discussion and analysis. This discussion provides an assessment of the County's finances for 2005 and follows the Independent Accountants' Report.

Accounting policies are further explained in Note 2 to the Basic Financial Statements.

### Internal Controls

In developing the County's accounting system, consideration was given to the adequacy of internal accounting controls. Internal controls are designed to provide reasonable, but not absolute, assurance that the following County objectives will be achieved: (1) the reliability of financial records for preparing financial statements and maintaining accountability of assets, (2) effective and efficient operations, and (3) compliance with laws and regulations. The concept of reasonable assurance is based on the assumption that the cost of internal controls should not exceed the benefits expected to be derived from their implementation.

The County utilizes a fully automated accounting system, as well as automated systems for control of payroll and capital assets. These systems, along with the monitoring of each voucher prior to payment by the accounting division of the County Auditor's Office, ensure that the financial information is both accurate and reliable.

### Budgetary Control

The Board of County Commissioners adopts an annual appropriation measure for the County at the end of December for the following year. The Board may amend appropriations throughout the year with consideration as to remaining balances and revenue estimates. Disbursements and transfers of funds require the authority of the Board. A complete description of the County's budgeting process is described in Note 2.E of the basic financial statements.

## **INDEPENDENT AUDIT**

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of December 31, 2005 by our independent auditor, Clifton Gunderson LLP. In addition to meeting the requirements set forth in the state statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996. County management will continue to subject financial statements to an annual independent audit as part of the preparation of a CAFR. An annual audit also serves to maintain and strengthen the County's accounting controls and accountability to the public it serves.

The County established the Fiscal Report Review Committee (the "Audit Committee") in 1998 to assist with the financial statement and audit process. This group is comprised of the County Auditor, the County Treasurer, and the President of the Board of County Commissioners. In addition, David Brink, CPA, of Payne, Hammersmith and Nickels, CPA, Inc., and James Miller, Executive Vice-President, The Citizens Banking Company, serve on the panel.


## ACKNOWLEDGEMENTS

The preparation and publication of this report would not be possible without the cooperation of the various County departments and offices. I wish to express my appreciation to the County Board of Commissioners for their support in this endeavor. I would also like to thank the elected officials, department heads, and their staffs for their assistance with this project.

Special appreciation is expressed to Mr. Alexander J. Fait, of Julian & Grube, Inc., who compiled this report, and to the members of the audit team from Clifton Gunderson LLP, who were responsible for the auditing of this report.

The County Auditor's Office has worked to maintain a level of professionalism and sound financial reporting as its benchmark. I ask for the continued support of this project and of my efforts toward continuing the sound financial management of Erie County.

Sincerely,



Connie L. Ward

Erie County Auditor

# ERIE COUNTY, OHIO

## ELECTED OFFICIALS

DECEMBER 31, 2005

### ADMINISTRATORS

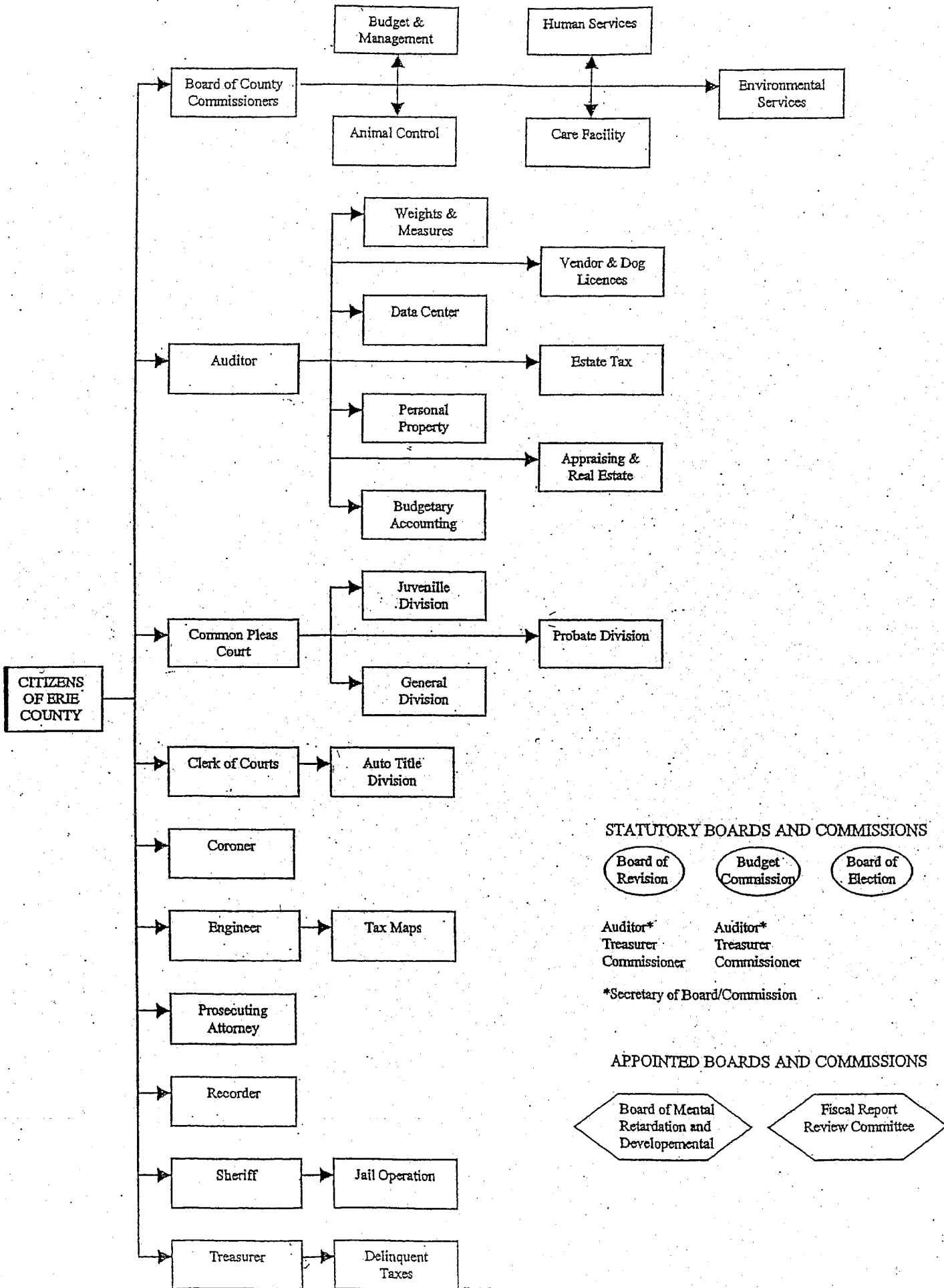
Connie L. Ward.....	Auditor
Barbara J. Johnson.....	Clerk of Courts
Thomas M. Ferrell, Jr. ....	Commissioner
Nancy C. McKeen.....	Commissioner
William J. Mohaghan.....	Commissioner
Brian A. Baxter, M.D. ....	Coroner
John D. Farschman.....	Engineer
Kevin J. Baxter.....	Prosecutor
Barbara A. Sessler.....	Recorder
Terry M. Lyons.....	Sheriff
Jo Dee Fantozz.....	Treasurer

### JUDGES

Roger E. Binett.....	Common Pleas
Tygh M. Tone.....	Common Pleas
Paul G. Lux.....	County Court
Robert C. Delamatre.....	Domestic Relations Court
Robert C. Delamatre.....	Juvenile Court
Beverly K. McGookey.....	Probate Court



# ORGANIZATION OF ERIE COUNTY, OHIO



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# FINANCIAL SECTION

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## Independent Auditor's Report

The Board of County Commissioners  
Erie County  
Sandusky, Ohio

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Erie County, Ohio (County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Erie County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 financials statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, 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 unit, each major fund, and the aggregate remaining fund information of the Erie County, Ohio, as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General; MR/DD; Public Assistance; and Motor Vehicle License and Registration 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 a report dated January 19, 2007 on our consideration of the County's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

Management's discussion is on pages F-3 through F-12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Clifton Henderson LLP*

Toledo, Ohio  
January 19, 2007

## ERIE COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005

The Management's Discussion and Analysis of Erie County's (the "County") financial performance provides an overall review of the County's financial activities for the fiscal year ended December 31, 2005. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also examine the Basic Financial Statements, the Notes to the Basic Financial Statements, and the Letter of Transmittal to enhance their understanding of the County's financial performance.

#### Financial Highlights

Financial highlights for fiscal year 2005 are as follows:

- The total net assets of the County decreased \$10,465,284. Net assets of governmental activities decreased \$2,964,825, which represents a 4.34% decrease from fiscal year 2004. Net assets of business-type activities decreased \$7,500,459, which represents a 20.31% decrease from fiscal year 2004.
- General revenues accounted for \$32,557,108, or 54.78%, of total governmental activities revenue. Program specific revenues accounted for \$26,872,312, or 45.22%, of total governmental activities revenue.
- The County had \$62,156,244 in expenses related to governmental activities. \$26,872,312 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues, primarily taxes and intergovernmental grants, of \$32,557,108 were not sufficient to provide for these programs.
- The General fund, MR/DD fund, Public Assistance fund, Motor Vehicle License and Registration fund, and TIF Projects fund are the County's major funds. The General fund, the County's largest fund, had revenues of \$26,210,010 in 2005 an increase of \$1,697,527, or 6.93%, from 2004 revenues. The General fund had expenditures of \$21,786,538 in 2005, an increase of \$929,814 from 2004. During 2005, the General fund had transfers in of \$15,334 and transfers out of \$3,421,754. In total, the General fund balance increased \$1,014,688 from 2004 to 2005.
- The MR/DD fund, a major fund, had revenues of \$7,546,489 in 2005. The MR/DD fund had expenditures of \$6,564,123 in 2005. The MR/DD fund balance increased \$982,366 from 2004 to 2005.
- The Public Assistance fund, a major fund, had revenues of \$6,351,734 in 2005. The Public Assistance fund had expenditures of \$8,102,048 in 2005. The Public Assistance fund had transfers in of \$1,212,057 in 2005. The Public Assistance fund balance decreased \$538,257 from 2004 to 2005.
- The Motor Vehicle License and Registration fund, a major fund, had revenues of \$7,325,256 in 2005. The Motor Vehicle License and Registration fund had expenditures of \$7,664,837 in 2005. The Motor Vehicle License and Registration fund had transfers in of \$21,406 in 2005. The Motor Vehicle License and Registration fund balance decreased \$312,958 from 2004 to 2005.
- The TIF Projects fund, a major fund, had revenues and other financing sources of \$10,897,216 in 2005. The TIF Projects fund had expenditures of \$14,492,056 in 2005. The TIF Projects fund balance decreased \$3,594,840 from 2004 to 2005.
- The County's enterprise funds are the Sewer fund, Water fund, Landfill fund, and Care Facility fund. Net assets of the enterprise funds decreased in 2005 by \$7,500,459, or 20.31%.
- In the General fund, actual revenues came in \$486,043 higher than the budgeted revenues and actual expenditures were \$2,411,772 less than the budgeted expenditures. These variances are a result of the County's conservative budgeting process.

## ERIE COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005

#### **Using this Comprehensive Annual Financial Report (CAFR)**

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

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 long-term view of those finances. 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 remains for future spending. The fund financial statements also look at the County's most significant funds with all other nonmajor funds presented in total in one column. In the case of the County, there are five major governmental funds. The General fund is the largest major fund.

#### **Reporting the County as a Whole**

##### *Statement of Net Assets and Statement of Activities*

The statement of net assets and the statement of activities answer the question, "How did we do financially during 2005?" These statements include *all assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. The accrual basis of accounting will take into account all of the current year's revenues and expenses, regardless of when cash is received or paid. See Note 2.C for an explanation of the economic resources measurement focus, and Note 2.D for an explanation of the accrual basis of accounting.

These statements report the County's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the County as a whole, the financial position of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, and other factors.

In the statement of net assets and the statement of activities, the County is divided into two distinct kinds of activities:

Governmental Activities - Most of the County's programs and services are reported here, including human services, health, public safety, public works and general government. These services are funded primarily by taxes and intergovernmental revenues including federal and state grants and other shared revenues.

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or a significant portion of the expenses of the goods or services provided.

#### **Reporting the 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 objectives. 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.



## ERIE COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005

Fund financial reports provide detailed information about the County's major funds. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds are the General fund, MR/DD fund, Public Assistance fund, Motor Vehicle License and Registration fund and TIF Projects fund. The analysis of the County's major governmental and proprietary funds begins on page F9.

#### ***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 near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's short-term financing requirements. See Note 2.C for an explanation of the flow of current financial resources measurement focus, and Note 2.D for an explanation of the modified accrual basis of accounting.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the readers may better understand the long-term impact of the government's short-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 later in this report. The basic governmental financial statements, including the statement reconciliations, can be found on pages F16-F25 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 sewer, water, landfill and care facility operations. All of the County's enterprise funds are considered as major funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses an internal service fund to account for a self-funded health insurance program for employees of the County and several governmental units within the County. The basic proprietary fund financial statements can be found on pages F26-F31 of this report.

#### ***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the County. 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 used for proprietary funds. The basic fiduciary fund financial statements can be found on page F32-F33 of this report.

#### ***Notes to the Financial Statements***

The notes provide additional information that is essential to understanding the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages F34-F75 of this report.

**ERIE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules.

**Government-Wide Financial Analysis**

The Statement of Net Assets provides the perspective of the County as a whole. The table below provides a comparative summary of the County's net assets for 2005 and 2004.

	<b>Net Assets</b>					
	Governmental	Restated Governmental	Business-type	Restated Business-type		Restated
	Activities 2005	Activities 2004	Activities 2005	Activities 2004	2005 Total	2004 Total
<u>Assets</u>						
Current and other assets	\$ 44,778,897	\$ 47,111,455	\$ 19,769,235	\$ 18,097,628	\$ 64,548,132	\$ 65,209,083
Capital assets	<u>62,868,925</u>	<u>61,263,923</u>	<u>106,442,262</u>	<u>101,927,889</u>	<u>169,311,187</u>	<u>163,191,812</u>
Total assets	<u>107,647,822</u>	<u>108,375,378</u>	<u>126,211,497</u>	<u>120,025,517</u>	<u>233,859,319</u>	<u>228,400,895</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	25,964,840	25,644,520	84,577,076	76,812,941	110,541,916	102,457,461
Other liabilities	<u>16,285,647</u>	<u>14,368,698</u>	<u>12,203,186</u>	<u>3,375,966</u>	<u>28,488,833</u>	<u>17,744,664</u>
Total liabilities	<u>42,250,487</u>	<u>40,013,218</u>	<u>96,780,262</u>	<u>80,188,907</u>	<u>139,030,749</u>	<u>120,202,125</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	38,513,147	37,534,036	29,061,612	35,398,869	67,574,759	72,932,905
Restricted	16,285,955	22,981,630	-	-	16,285,955	22,981,630
Unrestricted	<u>10,598,233</u>	<u>7,846,494</u>	<u>369,623</u>	<u>4,437,741</u>	<u>10,967,856</u>	<u>12,284,235</u>
Total net assets	<u>\$ 65,397,335</u>	<u>\$ 68,362,160</u>	<u>\$ 29,431,235</u>	<u>\$ 39,836,610</u>	<u>\$ 94,828,570</u>	<u>\$ 108,198,770</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2005, the County's assets exceeded liabilities by \$94,828,570. This amounts to \$65,397,335 in governmental activities and \$29,431,235 in business-type activities.

Capital assets reported on the government-wide statements represent the largest portion of the County's net assets. At year-end, capital assets represented 72.40% of total governmental and business-type assets. Capital assets include land, land improvements, buildings, machinery and equipment, vehicles, construction in progress and infrastructure. Capital assets, net of related debt to acquire the assets at December 31, 2005, were \$67,574,759. These capital assets are used to provide services to citizens and are not available for future spending. Although the County's investment in capital assets is reported net of related debt, it should be noted that the resources to repay the debt must be provided from other sources, since capital assets may not be used to liquidate these liabilities.

A portion of the County's net assets, \$16,285,955, or 17.17%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental-activities unrestricted net assets of \$10,598,233 may be used to meet the government's ongoing obligations to citizens and creditors.

**ERIE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

The table below shows the changes in net assets for governmental activities and business-type activities for 2005 compared to 2004.

	Governmental Activities <u>2005</u>	Governmental Activities <u>2004</u>	Business-type Activities <u>2005</u>	Business-type Activities <u>2004</u>	2005 Total	2004 Total
<b>Revenues</b>						
Program revenues:						
Charges for services and sales	\$ 7,214,234	\$ 8,183,564	\$ 26,403,271	\$ 26,314,679	\$ 33,617,505	\$ 34,498,243
Operating grants and contributions	19,408,078	18,819,954	180,513	-	19,588,591	18,819,954
Capital grants and contributions	250,000	200,000	25,805	2,980,788	275,805	3,180,788
Total program revenues	<u>26,872,312</u>	<u>27,203,518</u>	<u>26,609,589</u>	<u>29,295,467</u>	<u>53,481,901</u>	<u>56,498,985</u>
General revenues:						
Property taxes	11,079,309	11,395,305	-	-	11,079,309	11,395,305
Sales tax	13,911,581	13,232,060	-	-	13,911,581	13,232,060
Unrestricted grants	3,826,400	2,847,235	-	-	3,826,400	2,847,235
Investment earnings	1,637,755	862,142	1,222	20,571	1,638,977	882,713
Other	2,102,063	468,355	511,228	153,735	2,613,291	622,090
Total general revenues	<u>32,557,108</u>	<u>28,805,097</u>	<u>512,450</u>	<u>174,306</u>	<u>33,069,558</u>	<u>28,979,403</u>
Total revenues	<u>59,429,420</u>	<u>56,008,615</u>	<u>27,122,039</u>	<u>29,469,773</u>	<u>86,551,459</u>	<u>85,478,388</u>
Program Expenses:						
General government	16,000,688	15,133,450	-	-	16,000,688	15,133,450
Public safety	11,123,785	10,883,001	-	-	11,123,785	10,883,001
Public works	8,869,473	3,644,897	-	-	8,869,473	3,644,897
Health	7,052,513	7,752,486	-	-	7,052,513	7,752,486
Human services	13,193,898	13,820,685	-	-	13,193,898	13,820,685
Conservation and recreation	119,624	387,953	-	-	119,624	387,953
Economic development	5,203,106	805,844	-	-	5,203,106	805,844
Other	665	806,895	-	-	665	806,895
Interest and fiscal charges	592,492	790,720	-	-	592,492	790,720
Sewer	-	-	8,007,501	7,254,224	8,007,501	7,254,224
Water	-	-	8,900,896	9,185,142	8,900,896	9,185,142
Landfill	-	-	9,845,410	6,625,044	9,845,410	6,625,044
County care facility	-	-	8,106,692	8,888,201	8,106,692	8,888,201
Total expenses	<u>62,156,244</u>	<u>54,025,931</u>	<u>34,860,499</u>	<u>31,952,611</u>	<u>97,016,743</u>	<u>85,978,542</u>
Transfers	<u>(238,001)</u>	<u>(84,525)</u>	<u>238,001</u>	<u>84,525</u>	<u>-</u>	<u>-</u>
Change in net assets	(2,964,825)	1,898,159	(7,500,459)	(2,398,313)	(10,465,284)	(500,154)
Net assets at beginning of year	<u>68,362,160</u>	<u>66,464,001</u>	<u>36,931,694</u>	<u>39,330,007</u>	<u>105,293,854</u>	<u>105,794,008</u>
Net assets at end of year	<u>\$ 65,397,335</u>	<u>\$ 68,362,160</u>	<u>\$ 29,431,235</u>	<u>\$ 36,931,694</u>	<u>\$ 94,828,570</u>	<u>\$ 105,293,854</u>

**ERIE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Governmental Activities**

Governmental activities net assets decreased by \$2,964,825 in 2005 from 2004. This decrease is due to an increase in expenses from 2005 to 2004.

Human services expenses, which support the operations of the MR/DD fund and Public Assistance fund, account for \$13,193,898, or 21.23%, of total governmental expenses of the County. Human services expenses were partially funded by \$1,486,157 in charges for services and \$7,929,059 in operating grants and contributions. General government expenses, which include legislative and executive programs and judicial programs, account for \$16,000,688, or 25.74%, of total governmental expenses. General government expenses were partially funded by \$3,307,254 of charges for services in 2005.

The state and federal government contributed to the County revenues of \$19,408,078 in operating grants and contributions and \$250,000 in capital grants and contributions. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions \$7,929,059, or 40.85%, subsidized human services programs.

General revenues totaled \$32,557,108 and amounted to 54.78% of total revenues. These revenues primarily consist of property taxes and sales taxes of \$24,990,890, or 42.05%, of total general revenues in 2005. The other primary source of general revenues is grants and entitlements not restricted to specific programs, equaling \$3,826,400, or 11.75%, of total general revenues. Grants and entitlements not restricted to specific programs include local government funds and local government revenue assistance. In August 2004, the state placed a freeze on local government funds and local government revenue assistance to be distributed to local governments.

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. The following table shows, for governmental activities, the total cost of services and the net cost of services for 2005 compared to 2004. That is, it identifies the cost of these services supported by tax revenue and unrestricted state grants and entitlements.

**Governmental Activities**

	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
Program Expenses:				
General government	\$ 16,000,688	\$ 12,330,672	\$ 15,133,450	\$ 11,089,309
Public safety	11,123,785	7,419,124	10,883,001	6,630,358
Public works	8,869,473	2,407,228	3,644,897	(1,707,193)
Health	7,052,513	4,223,036	7,752,486	4,921,621
Human services	13,193,898	3,724,087	13,820,685	3,722,401
Conservation and recreation	119,624	103,590	387,953	321,384
Economic development and assistance	5,203,106	4,833,676	805,844	250,882
Other	665	(349,183)	806,895	802,931
Interest and fiscal charges	<u>592,492</u>	<u>591,702</u>	<u>790,720</u>	<u>790,720</u>
Total	<u>\$ 62,156,244</u>	<u>\$ 35,283,932</u>	<u>\$ 54,025,931</u>	<u>\$ 26,822,413</u>

The dependence upon general revenues for governmental activities is apparent, with 56.77% of expenses supported through taxes and other general revenues during 2005.

**ERIE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**Business-Type Activities**

The Sewer fund, Water fund, Landfill fund, and Care Facility fund are the County's business-type activities. These programs had revenues of \$27,122,039 and expenses of \$34,860,499 for fiscal year 2005. The net assets of the business-type activities decreased \$7,500,459 for fiscal year 2005.

**Financial Analysis of the Government'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 short-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 year-end.

The County's governmental funds (as presented on the balance sheet on pages F16-F17) reported a combined fund balance of \$23,927,026, which is \$3,976,571 below last year's total of \$27,903,597. The December 31, 2004 fund balances have been restated as described in note 3.A to the basic financial statements. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2005 for all major and nonmajor governmental funds.

	<u>Fund Balance</u> <u>December 31, 2005</u>	<u>Restated</u> <u>Fund Balance</u> <u>December 31, 2004</u>	<u>Increase</u> <u>(Decrease)</u>
Major Funds:			
General	\$ 9,057,443	\$ 8,042,755	\$ 1,014,688
MR/DD	2,480,421	1,498,055	982,366
Public Assistance	(1,024,256)	(485,999)	(538,257)
Motor Vehicle License and Registration	2,968,496	3,281,454	(312,958)
TIF Projects	1,702,108	5,296,948	(3,594,840)
Nonmajor Governmental Funds	<u>8,742,814</u>	<u>10,270,384</u>	<u>(1,527,570)</u>
Total	<u>\$ 23,927,026</u>	<u>\$ 27,903,597</u>	<u>\$ (3,976,571)</u>

**General Fund**

The General fund is the operating fund of the County. At the end of the fiscal year, the fund balance of the General fund was \$9,057,443, a 12.62% increase from 2004. The increase of the General fund balance in 2005 was primarily due to an increase in revenues of 6.93% in 2005 compared to 2004 and a slight increase in expenditures in 2005.

**MR/DD Fund**

The MR/DD fund, a major fund, had revenues of \$7,546,489 in 2005. The MR/DD fund had expenditures of \$6,564,123 in 2005. The MR/DD fund balance increased \$982,366 from 2004 to 2005.

## ERIE COUNTY, OHIO

### MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005

#### ***Public Assistance Fund***

The Public Assistance fund, a major fund, had revenues of \$6,351,734 in 2005. The Public Assistance fund had expenditures of \$8,102,048 in 2005. The Public Assistance fund had transfers in of \$1,212,057 in 2005. The Public Assistance fund balance decreased \$538,257 from 2004 to 2005.

#### ***Motor Vehicle License and Registration Fund***

The Motor Vehicle License and Registration fund, a major fund, had revenues of \$7,325,256 in 2005. The Motor Vehicle License and Registration fund had expenditures of \$7,664,837 in 2005. The Motor Vehicle License and Registration fund had transfers in of \$21,406 in 2005. The Motor Vehicle License and Registration fund balance decreased \$312,958 from 2004 to 2005.

#### ***TIF Projects Fund***

The TIF Projects fund, a major fund, had revenues and other financing sources of \$10,897,216 in 2005. The TIF Projects fund had expenditures of \$14,492,056 in 2005. The TIF Projects fund balance decreased \$3,594,840 from 2004 to 2005.

#### ***Budgeting Highlights - General Fund***

The County's budgeting process is prescribed by the Ohio Revised Code (ORC). Essentially the budget is the County's appropriations which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with the ORC. Therefore, the County's plans and objectives cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted accordingly. Budgetary information is presented for the General fund, MR/DD fund, Public Assistance fund, and Motor Vehicle License and Registration fund.

In the General fund, actual revenues of \$25,998,140 were more than final budgeted revenues by \$486,043. Actual expenditures of \$25,926,864 were less than final budgeted expenditures by \$2,411,772. In the MR/DD fund, actual revenues of \$7,657,496 were more than final budgeted revenues by \$882,570. Actual expenditures of \$7,380,606 were less than final budgeted expenditures by \$698,868. In the Public Assistance fund, actual revenues of \$7,472,507 were less than final budgeted revenues by \$1,757,493. Actual expenditures of \$8,639,766 were less than final budgeted expenditures by \$540,815. In the Motor Vehicle License and Registration fund, actual revenues of \$6,756,682 were less than final budgeted revenues by \$2,345,777. Actual expenditures of \$8,269,073 were less than final budgeted expenditures by \$914,926.

#### ***Proprietary Funds***

The County's proprietary funds provide the same type of information found in the government-wide financial statements for business-type activities, but in more detail, and include the allocation of the internal service fund.

#### **Capital Assets and Debt Administration**

##### ***Capital Assets***

At the end of 2005, the County had \$169,311,187 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, equipment and machinery, vehicles, and infrastructure. Of this total, \$62,868,925 was reported in governmental activities and \$106,442,262 was reported in business-type activities.

**ERIE COUNTY, OHIO**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

The following table shows fiscal 2005 balances compared to 2004:

**Capital Assets at December 31  
(Net of Depreciation)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land	\$ 2,125,082	\$ 2,125,082	\$ 2,434,459	\$ 2,434,459	\$ 4,559,541	\$ 4,559,541
Land improvements	878,627	933,112	1,818,228	1,823,099	2,696,855	2,756,211
Buildings	29,081,252	29,822,713	23,899,740	24,570,756	52,980,992	54,393,469
Machinery and equipment	2,949,092	2,097,799	3,529,089	3,102,609	6,478,181	5,200,408
Vehicles	1,347,124	1,223,755	248,745	255,479	1,595,869	1,479,234
Infrastructure	26,487,748	25,061,462	74,512,001	66,836,571	100,999,749	91,898,033
<b>Total</b>	<b>\$ 62,868,925</b>	<b>\$ 61,263,923</b>	<b>\$ 106,442,262</b>	<b>\$ 99,022,973</b>	<b>\$ 169,311,187</b>	<b>\$ 160,286,896</b>

See Note 9 to the basic financial statements for detail on governmental activities and business-type activities capital assets.

***Debt Administration***

At December 31, 2005 the County had a total of \$110,541,916 in general obligation bonds, special assessment bonds, OWDA loans, OPWC loans, bond anticipation notes, capital lease obligation, landfill closure and postclosure care liability, and compensated absences outstanding. Of this total, \$19,493,853 is due within one year and \$91,048,063 is due in more than one year. The following table summarizes the outstanding long-term obligations at year end.

**Long-Term Obligations, at Year End**

	<u>Governmental Activities 2005</u>	<u>Business-Type Activities 2005</u>
Long-Term Obligations:		
General obligation bonds	\$ 7,844,959	\$ 32,530,630
Special assessment bonds	1,395,778	1,170,000
OWDA loans	-	38,117,141
OPWC loans	-	539,025
Bond anticipation notes	15,120,000	-
Capital lease obligation	-	478,484
Landfill closure and postclosure care liability	-	11,465,610
Compensated absences	1,604,103	276,186
<b>Total</b>	<b>\$ 25,964,840</b>	<b>\$ 84,577,076</b>

At December 31, 2005 the County's legal voted debt margin was \$40,101,835, and the legal unvoted debt margin was \$12,167,119.

See Note 11 to the basic financial statements for detail on the County's long-term debt obligations.

## **ERIE COUNTY, OHIO**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2005**

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

Despite the uncertainty surrounding the economy, the County continues to carefully monitor its primary sources of revenue, which include real estate taxes, local sales taxes, local government funds, and interest income. In order to meet the objectives of the 2005 budget, the County continues to pursue economic development and job creation, and adopted a budget developed to promote long-term fiscal stability. The County continued with efforts to contain costs while pursuing new sources of revenue.

The County's current population is 79,551. The County's unemployment rate is currently 5.35%, compared to the state average of 6.1% and the national average of 5.5%.

Budgeted revenues and other financing sources in the general fund for fiscal year 2006 budget are \$25,032,858. These economic factors were considered in preparing the County's budget for fiscal year 2006.

#### **Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Ms. Brianne Markley, Erie County Deputy Auditor, 247 Columbus Avenue, Sandusky, Ohio, 44870.



BASIC  
FINANCIAL STATEMENTS

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**ERIE COUNTY, OHIO**

STATEMENT OF NET ASSETS  
DECEMBER 31, 2005

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 24,884,234	\$ 15,369,355	\$ 40,253,589	\$ -
Cash in segregated accounts . . . . .	-	-	-	184,310
Receivables (net of allowances for uncollectibles):				
Real estate and other taxes . . . . .	10,667,528	-	10,667,528	-
Sales taxes . . . . .	3,043,880	-	3,043,880	-
Accounts . . . . .	395,804	2,632,815	3,028,619	38,192
Special assessments . . . . .	385,892	999,350	1,385,242	-
Loans . . . . .	185,526	-	185,526	-
Accrued interest . . . . .	106,135	-	106,135	-
Due from other governments . . . . .	5,230,042	37,392	5,267,434	-
Materials and supplies inventory . . . . .	60,147	178,500	238,647	-
Internal balances . . . . .	(190,012)	190,012	-	-
Unamortized bond issuance costs . . . . .	9,721	361,811	371,532	-
Capital assets:				
Land . . . . .	2,125,082	2,434,459	4,559,541	-
Depreciable capital assets, net . . . . .	60,743,843	104,007,803	164,751,646	29,349
Total capital assets, net . . . . .	62,868,925	106,442,262	169,311,187	29,349
Total assets . . . . .	107,647,822	126,211,497	233,859,319	251,851
<b>Liabilities:</b>				
Accounts payable . . . . .	1,439,801	561,580	2,001,381	11,755
Contracts payable . . . . .	1,752,557	3,778,924	5,531,481	-
Retainage payable . . . . .	182,016	169,827	351,843	-
Accrued wages and benefits payable . . . . .	900,172	376,926	1,277,098	7,252
Pension benefit obligation payable . . . . .	265,340	67,714	333,054	-
Due to other governments . . . . .	221,374	1,086,312	1,307,686	-
Deferred revenue . . . . .	10,198,033	-	10,198,033	-
Claims payable . . . . .	957,930	-	957,930	-
Amount to be repaid to claimants . . . . .	26,206	-	26,206	-
Accrued interest payable . . . . .	342,218	1,161,903	1,504,121	-
Notes payable . . . . .	-	5,000,000	5,000,000	-
Long-term liabilities:				
Due within one year . . . . .	16,515,033	2,978,820	19,493,853	4,262
Due in more than one year . . . . .	9,449,807	81,598,256	91,048,063	-
Total liabilities . . . . .	42,250,487	96,780,262	139,030,749	23,269
<b>Net assets:</b>				
Invested in capital assets, net of related debt . . . . .	38,513,147	29,061,612	67,574,759	-
Restricted for:				
Capital projects . . . . .	2,660,445	-	2,660,445	-
Debt service . . . . .	569,560	-	569,560	-
Public safety programs . . . . .	2,248,909	-	2,248,909	-
Public works projects . . . . .	4,287,802	-	4,287,802	-
Health programs . . . . .	2,988,116	-	2,988,116	-
Economic development projects . . . . .	638,971	-	638,971	-
Other purposes . . . . .	2,892,152	-	2,892,152	5,905
Unrestricted . . . . .	10,598,233	369,623	10,967,856	222,677
Total net assets . . . . .	\$ 65,397,335	\$ 29,431,235	\$ 94,828,570	\$ 228,582

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ERIE COUNTY, OHIO**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services and Sales</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General government:				
Legislative and executive . . . . .	\$ 11,496,817	\$ 2,363,681	\$ 295,842	\$ 45,963
Judicial . . . . .	4,503,871	943,573	2,479	18,478
Public safety . . . . .	11,123,785	1,117,814	2,539,674	47,173
Public works . . . . .	8,869,473	285,206	6,144,609	32,430
Health . . . . .	7,052,513	639,348	2,160,368	29,761
Human services . . . . .	13,193,898	1,486,157	7,929,059	54,595
Conservation and recreation . . . . .	119,624	15,567	-	467
Economic development and assistance . . . . .	5,203,106	12,250	336,047	21,133
Other . . . . .	665	349,848	-	-
Interest and fiscal charges . . . . .	592,492	790	-	-
Total governmental activities . . . . .	<u>62,156,244</u>	<u>7,214,234</u>	<u>19,408,078</u>	<u>250,000</u>
<b>Business-Type Activities:</b>				
Sewer . . . . .	8,007,501	6,511,853	-	25,805
Water . . . . .	8,900,896	7,562,090	180,513	-
Landfill . . . . .	9,845,410	3,982,682	-	-
County Care Facility . . . . .	8,106,692	8,346,646	-	-
Total business-type activities . . . . .	<u>34,860,499</u>	<u>26,403,271</u>	<u>180,513</u>	<u>25,805</u>
Total primary government . . . . .	<u>\$ 97,016,743</u>	<u>\$ 33,617,505</u>	<u>\$ 19,588,591</u>	<u>\$ 275,805</u>
<b>Component Unit:</b>				
Double S Industries . . . . .	<u>\$ 428,327</u>	<u>\$ 220,936</u>	<u>\$ 187,680</u>	<u>\$ -</u>

**General Revenues:**

Property taxes levied for:

General Fund . . . . .	
County Board of MRDD . . . . .	
Senior Citizens Levy . . . . .	
Sales taxes . . . . .	
Grants and entitlements not restricted to specific programs . . . . .	
Investment income . . . . .	
Miscellaneous . . . . .	

Total general revenues . . . . .

Transfers . . . . .

Change in net assets . . . . .

**Net assets at beginning of year (restated) . . . . .**

**Net assets at end of year . . . . .**

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

<b>Primary Government</b>			
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Component Unit</b>
\$ (8,791,331)	\$ -	\$ (8,791,331)	\$ -
(3,539,341)	-	(3,539,341)	-
(7,419,124)	-	(7,419,124)	-
(2,407,228)	-	(2,407,228)	-
(4,223,036)	-	(4,223,036)	-
(3,724,087)	-	(3,724,087)	-
(103,590)	-	(103,590)	-
(4,833,676)	-	(4,833,676)	-
349,183	-	349,183	-
(591,702)	-	(591,702)	-
<u>(35,283,932)</u>	<u>-</u>	<u>(35,283,932)</u>	<u>-</u>
-	(1,469,843)	(1,469,843)	-
-	(1,158,293)	(1,158,293)	-
-	(5,862,728)	(5,862,728)	-
<u>-</u>	<u>239,954</u>	<u>239,954</u>	<u>-</u>
-	(8,250,910)	(8,250,910)	-
<u>(35,283,932)</u>	<u>(8,250,910)</u>	<u>(43,534,842)</u>	<u>\$ -</u>
-	-	-	(19,711)
5,185,358	-	5,185,358	-
5,051,749	-	5,051,749	-
842,202	-	842,202	-
13,911,581	-	13,911,581	-
3,826,400	-	3,826,400	-
1,637,755	1,222	1,638,977	3,509
2,102,063	511,228	2,613,291	2,904
<u>32,557,108</u>	<u>512,450</u>	<u>33,069,558</u>	<u>6,413</u>
<u>(238,001)</u>	<u>238,001</u>	<u>-</u>	<u>-</u>
(2,964,825)	(7,500,459)	(10,465,284)	(13,298)
<u>68,362,160</u>	<u>36,931,694</u>	<u>105,293,854</u>	<u>241,880</u>
<u>\$ 65,397,335</u>	<u>\$ 29,431,235</u>	<u>\$ 94,828,570</u>	<u>\$ 228,582</u>

**ERIE COUNTY, OHIO**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2005

	<u>General</u>	<u>MR/DD</u>	<u>Public Assistance</u>	<u>Motor Vehicle License &amp; Registration</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . . .	\$ 6,586,779	\$ 2,393,006	\$ -	\$ 3,716,094
Receivables (net of allowance for uncollectibles):				
Real estate and other taxes . . . . .	4,566,005	5,231,250	-	-
Sales taxes . . . . .	2,859,092	-	-	-
Accounts . . . . .	147,404	36	-	170,056
Special assessments . . . . .	164,682	-	-	-
Loans . . . . .	-	-	-	-
Accrued interest . . . . .	106,065	-	-	-
Due from other governments . . . . .	1,852,930	613,451	-	2,560,618
Due from other funds . . . . .	629,544	41,017	95,009	5,531
Loans to other funds . . . . .	6,401	-	-	-
Materials and supplies inventory . . . . .	14,489	-	-	45,658
<b>Total assets.</b> . . . .	<u>\$ 16,933,391</u>	<u>\$ 8,278,760</u>	<u>\$ 95,009</u>	<u>\$ 6,497,957</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 378,833	\$ 86,434	\$ 265,862	\$ 317,186
Contracts payable . . . . .	-	-	-	1,689,418
Accrued wages and benefits payable . . . . .	480,342	90,016	138,768	64,860
Compensated absences payable . . . . .	6,430	9,508	-	-
Retainage payable . . . . .	-	-	-	10,489
Pension benefit obligation payable . . . . .	164,251	9,606	74,905	4,368
Loans from other funds . . . . .	-	-	-	-
Due to other funds . . . . .	4,895	8,600	599,924	9,303
Due to other governments . . . . .	142,035	12,678	39,806	-
Deferred revenue . . . . .	6,672,956	5,581,497	-	1,433,837
Amount to be repaid to claimants . . . . .	26,206	-	-	-
<b>Total liabilities</b> . . . . .	<u>7,875,948</u>	<u>5,798,339</u>	<u>1,119,265</u>	<u>3,529,461</u>
<b>Fund Balances:</b>				
Reserved for encumbrances . . . . .	384,940	618,478	202,489	474,962
Reserved for materials and supplies inventory . . . . .	14,489	-	-	45,658
Reserved for debt service . . . . .	-	-	-	-
Reserved for loans receivable . . . . .	-	-	-	-
Reserved for loans to other funds . . . . .	6,401	-	-	-
Unreserved:				
Designated for budget stabilization . . . . .	1,187,567	-	-	-
Undesignated (deficit), reported in:				
General fund . . . . .	7,464,046	-	-	-
Special revenue funds . . . . .	-	1,861,943	(1,226,745)	2,447,876
Capital projects funds . . . . .	-	-	-	-
<b>Total fund balances</b> . . . . .	<u>9,057,443</u>	<u>2,480,421</u>	<u>(1,024,256)</u>	<u>2,968,496</u>
<b>Total liabilities and fund balances.</b> . . . .	<u>\$ 16,933,391</u>	<u>\$ 8,278,760</u>	<u>\$ 95,009</u>	<u>\$ 6,497,957</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>TIF Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ 1,713,257	\$ 9,143,679	\$ 23,552,815
-	870,273	10,667,528
-	184,788	3,043,880
-	78,308	395,804
-	221,210	385,892
-	185,526	185,526
-	70	106,135
-	203,043	5,230,042
-	19,620	790,721
-	-	6,401
-	-	60,147
<u>\$ 1,713,257</u>	<u>\$ 10,906,517</u>	<u>\$ 44,424,891</u>
\$ 381	\$ 378,900	\$ 1,427,596
-	63,139	1,752,557
-	126,186	900,172
-	-	15,938
-	171,527	182,016
-	12,210	265,340
-	6,401	6,401
10,768	130,714	764,204
-	26,855	221,374
-	1,247,771	14,936,061
-	-	26,206
<u>11,149</u>	<u>2,163,703</u>	<u>20,497,865</u>
635,121	990,123	3,306,113
-	-	60,147
-	383,975	383,975
-	185,526	185,526
-	-	6,401
-	-	1,187,567
-	-	7,464,046
-	6,571,824	9,654,898
<u>1,066,987</u>	<u>611,366</u>	<u>1,678,353</u>
<u>1,702,108</u>	<u>8,742,814</u>	<u>23,927,026</u>
<u>\$ 1,713,257</u>	<u>\$ 10,906,517</u>	<u>\$ 44,424,891</u>

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**ERIE COUNTY, OHIO**

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2005

<b>Total governmental fund balances</b>		\$ 23,927,026
<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		62,868,925
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Property taxes	\$ 466,071	
Sales taxes	1,111,380	
Special assessments	385,892	
Intergovernmental revenues	2,774,685	
Total		4,738,028
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(342,218)
The internal service fund is used by management to allocate costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities on the statement of net assets.		144,755
Unamortized bond issuance costs are not recognized in the funds		9,721
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
General obligation bonds	7,844,959	
Special assessments bonds	1,395,778	
Bond anticipation notes	15,120,000	
Compensated absences payable	1,588,165	
Total		(25,948,902)
<b>Net assets of governmental activities</b>		<b>\$ 65,397,335</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ERIE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>General</u>	<u>MR/DD</u>	<u>Public Assistance</u>	<u>Motor Vehicle License &amp; Registration</u>
<b>Revenues:</b>				
Property taxes . . . . .	\$ 5,182,508	\$ 5,051,279	\$ -	\$ -
Sales taxes . . . . .	12,091,800	-	-	-
Charges for services . . . . .	1,319,473	176,411	903,086	120,934
Licenses and permits . . . . .	7,039	-	-	-
Fines and forfeitures . . . . .	434,571	-	-	134,489
Intergovernmental . . . . .	3,909,853	2,136,377	5,351,164	6,153,172
Special assessments . . . . .	157,856	-	-	-
Investment income . . . . .	1,312,229	689	4	137,411
Reimbursements . . . . .	1,132,771	41,017	97,480	5,531
Other . . . . .	661,910	140,716	-	773,719
Total revenues . . . . .	<u>26,210,010</u>	<u>7,546,489</u>	<u>6,351,734</u>	<u>7,325,256</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	8,437,640	-	-	-
Judicial . . . . .	4,357,043	-	-	-
Public safety . . . . .	7,840,387	-	-	-
Public works . . . . .	176,805	-	-	7,664,837
Health . . . . .	5,049	6,564,123	-	-
Human services . . . . .	475,306	-	8,102,048	-
Conservation and recreation . . . . .	112,977	-	-	-
Economic development and assistance . . . . .	-	-	-	-
Capital outlay . . . . .	381,281	-	-	-
Other . . . . .	50	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
Total expenditures . . . . .	<u>21,786,538</u>	<u>6,564,123</u>	<u>8,102,048</u>	<u>7,664,837</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>4,423,472</u>	<u>982,366</u>	<u>(1,750,314)</u>	<u>(339,581)</u>
<b>Other financing sources (uses):</b>				
Premium on issuance of notes . . . . .	-	-	-	-
Issuance of notes . . . . .	-	-	-	-
Transfers in . . . . .	15,334	-	1,212,057	21,406
Transfers out . . . . .	(3,421,754)	-	-	-
Total other financing sources (uses) . . . . .	<u>(3,406,420)</u>	<u>-</u>	<u>1,212,057</u>	<u>21,406</u>
Net change in fund balances . . . . .	1,017,052	982,366	(538,257)	(318,175)
<b>Fund balances (deficit) at beginning of year (restated) . . . . .</b>	8,042,755	1,498,055	(485,999)	3,281,454
<b>Increase (decrease) in reserve for inventory . .</b>	(2,364)	-	-	5,217
<b>Fund balances (deficit) at end of year . . . . .</b>	<u>\$ 9,057,443</u>	<u>\$ 2,480,421</u>	<u>\$ (1,024,256)</u>	<u>\$ 2,968,496</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<b>TIF Projects</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
\$ -	\$ 842,130	\$ 11,075,917
-	1,809,943	13,901,743
-	2,295,435	4,815,339
-	336	7,375
-	27,376	596,436
250,000	5,842,466	23,643,032
-	510,969	668,825
122,552	64,870	1,637,755
-	130,528	1,407,327
382	497,849	2,074,576
<u>372,934</u>	<u>12,021,902</u>	<u>59,828,325</u>
-	2,713,250	11,150,890
-	136,838	4,493,881
-	3,759,765	11,600,152
-	-	7,841,642
-	626,497	7,195,669
-	4,684,249	13,261,603
-	-	112,977
-	5,211,304	5,211,304
1,983,306	597,339	2,961,926
-	615	665
12,450,000	2,038,699	14,488,699
58,750	496,200	554,950
<u>14,492,056</u>	<u>20,264,756</u>	<u>78,874,358</u>
<u>(14,119,122)</u>	<u>(8,242,854)</u>	<u>(19,046,033)</u>
24,282	3,205	27,487
10,500,000	4,620,000	15,120,000
-	3,185,558	4,434,355
-	(1,093,479)	(4,515,233)
<u>10,524,282</u>	<u>6,715,284</u>	<u>15,066,609</u>
(3,594,840)	(1,527,570)	(3,979,424)
5,296,948	10,270,384	27,903,597
-	-	2,853
<u>\$ 1,702,108</u>	<u>\$ 8,742,814</u>	<u>\$ 23,927,026</u>

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**ERIE COUNTY, OHIO**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005

<b>Net change in fund balances - total governmental funds</b>	<b>\$ (3,979,424)</b>
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$4,864,120) exceeded depreciation expense (\$3,074,152) in the current period.	1,789,968
Governmental funds only report the disposal of capital assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal.	(184,966)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(426,392)
Governmental funds report expenditures for inventory when purchased. However in the statement of activities, they are reported as an expense when consumed.	2,853
The issuance of bonds and notes are reported as other financing sources in the governmental funds, but they increase long-term liabilities on the statement of net assets.	(15,120,000)
Repayment of bond, note and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net assets.	14,488,699
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, interest is reported when due.	(37,542)
Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	303,014
The internal service fund used by management to allocate costs to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net revenue (expense) of the internal service fund is allocated among the governmental activities.	198,965
<b>Change in net assets of governmental activities</b>	<b><u>\$ (2,964,825)</u></b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ERIE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property taxes . . . . .	\$ 5,301,505	\$ 5,321,738	\$ 5,423,126	\$ 101,388
Sales taxes. . . . .	11,861,736	11,907,006	12,133,853	226,847
Charges for services. . . . .	1,234,637	1,239,350	1,262,961	23,611
Licenses and permits . . . . .	7,077	7,104	7,239	135
Fines and forfeitures . . . . .	393,768	395,271	402,801	7,530
Intergovernmental. . . . .	3,376,843	3,389,732	3,454,311	64,579
Special assessments . . . . .	154,316	154,905	157,856	2,951
Reimbursements. . . . .	1,042,976	1,046,957	1,066,903	19,946
Investment income . . . . .	1,227,988	1,232,675	1,256,159	23,484
Other . . . . .	772,012	774,959	789,723	14,764
<b>Total revenues. . . . .</b>	<u>25,372,858</u>	<u>25,469,697</u>	<u>25,954,932</u>	<u>485,235</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	9,574,663	9,601,739	8,784,580	817,159
Judicial. . . . .	4,953,018	4,967,026	4,544,305	422,721
Public safety . . . . .	8,704,816	8,729,434	7,986,512	742,922
Public works . . . . .	206,661	207,246	189,608	17,638
Health . . . . .	5,587	5,603	5,126	477
Human services . . . . .	539,531	541,057	495,010	46,047
Conservation and recreation . . . . .	129,308	129,674	118,638	11,036
Capital outlay. . . . .	415,573	416,749	381,281	35,468
<b>Total expenditures . . . . .</b>	<u>24,529,157</u>	<u>24,598,528</u>	<u>22,505,060</u>	<u>2,093,468</u>
Excess of revenues over expenditures . . . . .	<u>843,701</u>	<u>871,169</u>	<u>3,449,872</u>	<u>2,578,703</u>
<b>Other financing sources (uses):</b>				
Transfers in. . . . .	14,990	15,047	15,334	287
Transfers out . . . . .	(3,729,505)	(3,740,053)	(3,421,754)	318,299
Sale of capital assets . . . . .	27,228	27,332	27,853	521
Other financing sources . . . . .	21	21	21	-
Other financing uses . . . . .	(54)	(55)	(50)	5
<b>Total other financing sources (uses) . . . . .</b>	<u>(3,687,320)</u>	<u>(3,697,708)</u>	<u>(3,378,596)</u>	<u>319,112</u>
Net change in fund balance. . . . .	(2,843,619)	(2,826,539)	71,276	2,897,815
<b>Fund balance at beginning of year (restated). . .</b>	5,092,734	5,092,734	5,092,734	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,002,044</u>	<u>1,002,044</u>	<u>1,002,044</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 3,251,159</u>	<u>\$ 3,268,239</u>	<u>\$ 6,166,054</u>	<u>\$ 2,897,815</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ERIE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 MR/DD FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 4,181,219	\$ 4,598,386	\$ 5,197,418	\$ 599,032
Charges for services . . . . .	147,123	161,802	182,880	21,078
Intergovernmental . . . . .	1,709,447	1,880,002	2,124,910	244,908
Investment income . . . . .	600	660	746	86
Other . . . . .	121,912	134,076	151,542	17,466
Total revenues . . . . .	<u>6,160,301</u>	<u>6,774,926</u>	<u>7,657,496</u>	<u>882,570</u>
<b>Expenditures:</b>				
Current:				
Health . . . . .	<u>7,700,930</u>	<u>8,079,474</u>	<u>7,380,606</u>	<u>698,868</u>
Total expenditures . . . . .	<u>7,700,930</u>	<u>8,079,474</u>	<u>7,380,606</u>	<u>698,868</u>
Net change in fund balance. . . . .	(1,540,629)	(1,304,548)	276,890	1,581,438
<b>Fund balance at beginning of year (restated). . .</b>	673,015	673,015	673,015	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>659,721</u>	<u>659,721</u>	<u>659,721</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ (207,893)</u>	<u>\$ 28,188</u>	<u>\$ 1,609,626</u>	<u>\$ 1,581,438</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ERIE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 PUBLIC ASSISTANCE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services . . . . .	\$ 1,067,911	\$ 1,120,093	\$ 906,815	\$ (213,278)
Intergovernmental . . . . .	6,301,800	6,609,729	5,351,164	(1,258,565)
Reimbursements . . . . .	2,910	3,052	2,471	(581)
Total revenues . . . . .	<u>7,372,621</u>	<u>7,732,874</u>	<u>6,260,450</u>	<u>(1,472,424)</u>
<b>Expenditures:</b>				
Current:				
Human services . . . . .	8,913,932	9,180,581	8,639,766	540,815
Total expenditures . . . . .	<u>8,913,932</u>	<u>9,180,581</u>	<u>8,639,766</u>	<u>540,815</u>
Deficiency of revenues under expenditures. . . . .	<u>(1,541,311)</u>	<u>(1,447,707)</u>	<u>(2,379,316)</u>	<u>(931,609)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	1,427,379	1,497,126	1,212,057	(285,069)
Total other financing sources . . . . .	<u>1,427,379</u>	<u>1,497,126</u>	<u>1,212,057</u>	<u>(285,069)</u>
Net change in fund balance. . . . .	(113,932)	49,419	(1,167,259)	(1,216,678)
<b>Fund deficit at beginning of year . . . . .</b>	(595,812)	(595,812)	(595,812)	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>654,990</u>	<u>654,990</u>	<u>654,990</u>	<u>-</u>
<b>Fund balance (deficit) at end of year . . . . .</b>	<u>\$ (54,754)</u>	<u>\$ 108,597</u>	<u>\$ (1,108,081)</u>	<u>\$ (1,216,678)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**ERIE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 MOTOR VEHICLE LICENSE AND REGISTRATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>			<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Charges for services . . . . .	\$ 101,099	\$ 161,415	\$ 119,817	\$ (41,598)
Fines and forfeitures . . . . .	105,024	167,681	124,468	(43,213)
Intergovernmental . . . . .	4,709,750	7,519,591	5,581,732	(1,937,859)
Investment income . . . . .	125,078	199,700	148,236	(51,464)
Other . . . . .	606,438	968,239	718,716	(249,523)
Total revenues . . . . .	<u>5,647,389</u>	<u>9,016,626</u>	<u>6,692,969</u>	<u>(2,323,657)</u>
<b>Expenditures:</b>				
Current:				
Public works . . . . .	<u>6,622,495</u>	<u>9,183,999</u>	<u>8,269,073</u>	<u>914,926</u>
Total expenditures . . . . .	<u>6,622,495</u>	<u>9,183,999</u>	<u>8,269,073</u>	<u>914,926</u>
Deficiency of revenues under expenditures. . . . .	<u>(975,106)</u>	<u>(167,373)</u>	<u>(1,576,104)</u>	<u>(1,408,731)</u>
<b>Other financing sources:</b>				
Transfers in. . . . .	18,062	28,838	21,406	(7,432)
Other financing sources . . . . .	<u>35,698</u>	<u>56,995</u>	<u>42,307</u>	<u>(14,688)</u>
Total other financing sources . . . . .	<u>53,760</u>	<u>85,833</u>	<u>63,713</u>	<u>(22,120)</u>
Net change in fund balance. . . . .	(921,346)	(81,540)	(1,512,391)	(1,430,851)
<b>Fund balance at beginning of year . . . . .</b>	2,377,178	2,377,178	2,377,178	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>352,537</u>	<u>352,537</u>	<u>352,537</u>	<u>-</u>
<b>Fund balance at end of year . . . . .</b>	<u>\$ 1,808,369</u>	<u>\$ 2,648,175</u>	<u>\$ 1,217,324</u>	<u>\$ (1,430,851)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

**ERIE COUNTY, OHIO**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2005**

**Business-Type Activities - Enterprise Funds**

	<b>Sewer</b>	<b>Water</b>	<b>Landfill</b>	<b>Care Facility</b>
<b>Assets:</b>				
Current assets:				
Equity in pooled cash and cash equivalents. . . . .	\$ 4,695,678	\$ 1,742,704	\$ 8,321,337	\$ 609,636
Receivables (net of allowance for uncollectibles):				
Accounts . . . . .	1,012,500	1,035,857	584,458	-
Special assessments . . . . .	570,683	428,667	-	-
Due from other funds. . . . .	-	12,567	405	-
Due from other governments . . . . .	-	37,392	-	-
Materials and supplies inventory . . . . .	21,655	120,377	26,070	10,398
Unamortized bond issuance costs. . . . .	71,715	75,621	214,475	-
Total current assets . . . . .	<u>6,372,231</u>	<u>3,453,185</u>	<u>9,146,745</u>	<u>620,034</u>
Noncurrent assets:				
Capital assets:				
Land . . . . .	941,456	79,475	1,308,052	105,476
Depreciable capital assets, net . . . . .	53,442,912	42,487,277	5,783,309	2,294,305
Total noncurrent assets . . . . .	<u>54,384,368</u>	<u>42,566,752</u>	<u>7,091,361</u>	<u>2,399,781</u>
Total assets . . . . .	<u>60,756,599</u>	<u>46,019,937</u>	<u>16,238,106</u>	<u>3,019,815</u>
<b>Liabilities:</b>				
Current liabilities:				
Accounts payable. . . . .	117,696	129,432	208,693	105,759
Contracts payable. . . . .	2,085,006	337,432	1,356,486	-
Accrued wages and benefits payable . . . . .	38,654	25,129	19,937	293,206
Retainage payable. . . . .	-	-	169,827	-
Pension benefit obligation payable . . . . .	2,945	1,915	1,455	61,399
Due to other governments . . . . .	137,100	864,798	84,288	126
Due to other funds . . . . .	3,156	4,251	25,582	6,500
Claims payable. . . . .	-	-	-	-
Accrued interest payable. . . . .	387,106	590,318	183,464	1,015
Notes payable . . . . .	-	-	5,000,000	-
Compensated absences - current. . . . .	14,572	14,572	7,286	33,430
General obligation bonds - current. . . . .	485,000	488,000	655,000	123,000
Special assessment bonds - current . . . . .	50,000	-	-	-
OWDA loans - current. . . . .	469,298	379,324	-	-
OPWC loans - current . . . . .	70,318	17,390	-	-
Capital lease obligation - current . . . . .	49,057	-	122,573	-
Total current liabilities . . . . .	<u>3,909,908</u>	<u>2,852,561</u>	<u>7,834,591</u>	<u>624,435</u>
Long-term liabilities:				
Compensated absences . . . . .	50,480	50,480	25,240	80,126
General obligation bonds (net of unamortized premiums and discounts) . . . . .	6,648,420	7,530,302	16,472,008	128,900
Special assessment bonds . . . . .	1,120,000	-	-	-
OWDA loans . . . . .	13,789,585	23,478,934	-	-
OPWC loans . . . . .	355,674	95,643	-	-
Capital lease obligation . . . . .	-	-	306,854	-
Landfill closure and postclosure care liability. . . . .	-	-	11,465,610	-
Total long-term liabilities . . . . .	<u>21,964,159</u>	<u>31,155,359</u>	<u>28,269,712</u>	<u>209,026</u>
Total liabilities . . . . .	<u>25,874,067</u>	<u>34,007,920</u>	<u>36,104,303</u>	<u>833,461</u>
<b>Net assets:</b>				
Invested in capital assets, net of related debt. . . . .	31,420,436	10,651,361	(15,158,066)	2,147,881
Unrestricted . . . . .	3,462,096	1,360,656	(4,708,131)	38,473
Total net assets . . . . .	<u>\$ 34,882,532</u>	<u>\$ 12,012,017</u>	<u>\$ (19,866,197)</u>	<u>\$ 2,186,354</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net assets of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 15,369,355	\$ 1,331,419
2,632,815	-
999,350	-
12,972	-
37,392	-
178,500	-
361,811	-
<u>19,592,195</u>	<u>1,331,419</u>
2,434,459	-
104,007,803	-
<u>106,442,262</u>	<u>-</u>
<u>126,034,457</u>	<u>1,331,419</u>
561,580	12,205
3,778,924	-
376,926	-
169,827	-
67,714	-
1,086,312	-
39,489	-
-	957,930
1,161,903	-
5,000,000	-
69,860	-
1,751,000	-
50,000	-
848,622	-
87,708	-
171,630	-
<u>15,221,495</u>	<u>970,135</u>
206,326	-
30,779,630	-
1,120,000	-
37,268,519	-
451,317	-
306,854	-
11,465,610	-
<u>81,598,256</u>	<u>-</u>
<u>96,819,751</u>	<u>970,135</u>
29,061,612	-
153,094	361,284
<u>29,214,706</u>	<u>\$ 361,284</u>
216,529	-
<u>\$ 29,431,235</u>	

**ERIE COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Landfill</b>	<b>Care Facility</b>
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 6,022,828	\$ 7,064,975	\$ 3,982,682	\$ 8,346,646
Tap-in fees . . . . .	489,025	497,115	-	-
Special assessments . . . . .	25,805	-	-	-
Other. . . . .	<u>82,957</u>	<u>152,478</u>	<u>205,684</u>	<u>60,009</u>
Total operating revenues . . . . .	<u>6,620,615</u>	<u>7,714,568</u>	<u>4,188,366</u>	<u>8,406,655</u>
<b>Operating expenses:</b>				
Personal services . . . . .	1,609,987	1,081,331	810,897	6,766,258
Contract services . . . . .	3,441,674	4,806,994	5,965,758	856,806
Materials and supplies . . . . .	271,678	516,403	972,816	795,727
Depreciation . . . . .	1,832,419	1,252,319	57,744	105,655
Landfill closure and post-closure costs . . . . .	-	-	1,556,907	-
Claims. . . . .	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating expenses. . . . .	<u>7,155,758</u>	<u>7,657,047</u>	<u>9,364,122</u>	<u>8,524,446</u>
Operating income (loss) . . . . .	<u>(535,143)</u>	<u>57,521</u>	<u>(5,175,756)</u>	<u>(117,791)</u>
<b>Nonoperating revenues (expenses):</b>				
Interest and fiscal charges. . . . .	(924,842)	(1,331,377)	(529,380)	(14,591)
Interest revenue . . . . .	-	-	1,222	-
Intergovernmental revenue . . . . .	-	180,513	-	-
Premium on note issuance. . . . .	<u>-</u>	<u>-</u>	<u>10,100</u>	<u>-</u>
Total nonoperating revenues (expenses) . . . . .	<u>(924,842)</u>	<u>(1,150,864)</u>	<u>(518,058)</u>	<u>(14,591)</u>
Income (loss) before transfers . . . . .	(1,459,985)	(1,093,343)	(5,693,814)	(132,382)
Transfers in. . . . .	293,305	47,915	2,266	93,729
Transfers out . . . . .	<u>(123,200)</u>	<u>(24,104)</u>	<u>(51,910)</u>	<u>-</u>
Change in net assets. . . . .	(1,289,880)	(1,069,532)	(5,743,458)	(38,653)
<b>Net assets (deficit) at beginning of year (restated) .</b>	<u>36,172,412</u>	<u>13,081,549</u>	<u>(14,122,739)</u>	<u>2,225,007</u>
<b>Net assets (deficit) at end of year . . . . .</b>	<u>\$ 34,882,532</u>	<u>\$ 12,012,017</u>	<u>\$ (19,866,197)</u>	<u>\$ 2,186,354</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in net assets of business-type

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 25,417,131	\$ 7,218,749
986,140	-
25,805	-
<u>501,128</u>	<u>546,360</u>
26,930,204	7,765,109
10,268,473	-
15,071,232	12,205
2,556,624	237,241
3,248,137	-
1,556,907	-
<u>-</u>	<u>6,703,477</u>
<u>32,701,373</u>	<u>6,952,923</u>
<u>(5,771,169)</u>	<u>812,186</u>
(2,800,190)	-
1,222	-
180,513	-
<u>10,100</u>	<u>-</u>
<u>(2,608,355)</u>	<u>-</u>
(8,379,524)	812,186
437,215	27,843
<u>(199,214)</u>	<u>-</u>
(8,141,523)	840,029
	<u>(478,745)</u>
	<u>\$ 361,284</u>
<u>641,064</u>	
<u>\$ (7,500,459)</u>	

**ERIE COUNTY, OHIO**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>Business-Type Activities - Enterprise Funds</b>			
	<b>Sewer</b>	<b>Water</b>	<b>Landfill</b>	<b>Care Facility</b>
<b>Cash flows from operating activities:</b>				
Cash received from charges for services . . . . .	\$ 6,219,486	\$ 7,212,178	\$ 3,904,258	\$ 8,346,646
Cash received from special assessments . . . . .	25,805	-	-	-
Cash received from tap-in fees . . . . .	489,025	497,115	-	-
Cash received from other operations . . . . .	82,957	152,478	205,329	60,009
Cash payments for personal services . . . . .	(1,631,279)	(1,069,440)	(820,628)	(6,865,122)
Cash payments for contract services . . . . .	(1,284,744)	(4,187,862)	(4,419,648)	(953,250)
Cash payments for materials and supplies . . . . .	(306,595)	(549,547)	(1,005,479)	(798,234)
Cash payments for claims expenses . . . . .	-	-	-	-
Net cash provided by (used in) operating activities . . . . .	<u>3,594,655</u>	<u>2,054,922</u>	<u>(2,136,168)</u>	<u>(209,951)</u>
<b>Cash flows from noncapital financing activities:</b>				
Cash received from grants and subsidies . . . . .	-	143,121	-	-
Cash received from transfers in . . . . .	293,305	47,915	2,266	93,729
Cash payments for transfers out . . . . .	(123,200)	(24,104)	(51,910)	-
Net cash provided by (used in) noncapital financing activities . . . . .	<u>170,105</u>	<u>166,932</u>	<u>(49,644)</u>	<u>93,729</u>
<b>Cash flows from capital and related financing activities:</b>				
Cash payments for the acquisition of capital assets . . . . .	(5,899,990)	(4,290,077)	(443,152)	(69,137)
Cash payments for principal retirement of bonds . . . . .	(520,000)	(478,800)	(630,000)	(117,200)
Cash payments for principal retirement of loans . . . . .	(513,623)	(385,237)	-	-
Cash payments for principal retirement of capital lease . . . . .	(98,173)	-	(101,148)	-
Cash payments for interest and fiscal charges . . . . .	(871,857)	(1,315,761)	(737,449)	(18,085)
Cash received from loan issuance . . . . .	4,728,941	3,903,818	-	-
Cash received from note issuance, including premium . . . . .	-	-	5,010,100	-
Cash received from capital lease transaction . . . . .	147,230	-	401,541	-
Net cash provided by (used in) capital and related financing activities . . . . .	<u>(3,027,472)</u>	<u>(2,566,057)</u>	<u>3,499,892</u>	<u>(204,422)</u>
<b>Cash flows from investing activities:</b>				
Cash received from interest earned . . . . .	-	-	1,222	-
Net cash provided by investing activities . . . . .	<u>-</u>	<u>-</u>	<u>1,222</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents . . . . .	737,288	(344,203)	1,315,302	(320,644)
<b>Cash and cash equivalents at beginning of year . . . . .</b>	<u>3,958,390</u>	<u>2,086,907</u>	<u>7,006,035</u>	<u>930,280</u>
<b>Cash and cash equivalents at end of year . . . . .</b>	<u>\$ 4,695,678</u>	<u>\$ 1,742,704</u>	<u>\$ 8,321,337</u>	<u>\$ 609,636</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss) . . . . .	\$ (535,143)	\$ 57,521	\$ (5,175,756)	\$ (117,791)
Adjustments:				
Depreciation . . . . .	1,832,419	1,252,319	57,744	105,655
Changes in assets and liabilities:				
Increase in accounts receivable . . . . .	(75,350)	(128,510)	(78,374)	-
Decrease in special assessments receivable . . . . .	415,660	312,222	2,394	-
Increase in due from other funds . . . . .	-	(12,567)	(405)	-
(Increase) decrease in materials and supplies inventory . . . . .	(7,911)	(21,970)	(13,449)	2,220
Increase (decrease) in accounts payable . . . . .	(6,419)	(40,216)	29,150	(93,363)
Increase in contracts payable . . . . .	2,085,006	337,432	1,356,486	-
Increase in retainage payable . . . . .	-	-	169,827	-
Increase (decrease) in accrued wages and benefits . . . . .	9,015	3,288	5,024	(6,592)
Increase (decrease) in compensated absences payable . . . . .	(18,153)	16,516	(9,077)	(91,220)
Decrease in pension obligation payable . . . . .	(12,154)	(7,913)	(5,678)	(1,052)
Increase (decrease) in due to other governments . . . . .	49,733	309,746	(6,701)	(3,030)
Increase (decrease) in due to other funds . . . . .	1,604	996	(21,866)	(4,778)
Decrease) in deferred revenue . . . . .	(143,652)	(23,942)	(2,394)	-
Increase in landfill closure and postclosure care liability . . . . .	-	-	1,556,907	-
Decrease in claims payable . . . . .	-	-	-	-
Net cash provided by (used in) operating activities . . . . .	<u>\$ 3,594,655</u>	<u>\$ 2,054,922</u>	<u>\$ (2,136,168)</u>	<u>\$ (209,951)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 25,682,568	\$ 7,218,749
25,805	-
986,140	-
500,773	546,360
(10,386,469)	-
(10,845,504)	-
(2,659,855)	(257,126)
-	(6,927,119)
<u>3,303,458</u>	<u>580,864</u>
143,121	-
437,215	27,843
(199,214)	-
<u>381,122</u>	<u>27,843</u>
(10,702,356)	-
(1,746,000)	-
(898,860)	-
(199,321)	-
(2,943,152)	-
8,632,759	-
5,010,100	-
548,771	-
<u>(2,298,059)</u>	<u>-</u>
1,222	-
<u>1,222</u>	<u>-</u>
1,387,743	608,707
13,981,612	722,712
<u>\$ 15,369,355</u>	<u>\$ 1,331,419</u>
\$ (5,771,169)	\$ 812,186
3,248,137	-
(282,234)	-
730,276	-
(12,972)	-
(41,110)	-
(110,848)	(7,680)
3,778,924	-
169,827	-
10,735	-
(101,934)	-
(26,797)	-
349,748	-
(24,044)	-
(169,988)	-
1,556,907	-
-	(223,642)
<u>\$ 3,303,458</u>	<u>\$ 580,864</u>

**ERIE COUNTY, OHIO**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2005

	<u>Private Purpose Trust</u>	<u>Investment Trust</u>	<u>Agency</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents . . . . .	\$ 43,754	\$ 460,711	\$ 9,142,666
Cash in segregated accounts . . . . .	-	-	2,995,852
Receivables:			
Real estate and other taxes. . . . .	-	-	93,336,293
Due from other governments . . . . .	-	-	310,965
	<hr/>	<hr/>	<hr/>
Total assets . . . . .	<u>\$ 43,754</u>	<u>\$ 460,711</u>	<u>\$ 105,785,776</u>
<b>Liabilities:</b>			
Accrued wages and benefits payable . . . . .	\$ -	\$ -	\$ 36,297
Due to other governments. . . . .	-	-	102,753,627
Deposits held and due to others. . . . .	-	-	2,995,852
	<hr/>	<hr/>	<hr/>
Total liabilities . . . . .	<u>-</u>	<u>-</u>	<u>\$ 105,785,776</u>
<b>Net assets:</b>			
Held in trust for other purposes. . . . .	43,754	-	
Held in trust for external pool participants . . . . .	-	460,711	
	<hr/>	<hr/>	
Total net assets . . . . .	<u>\$ 43,754</u>	<u>\$ 460,711</u>	

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS



**ERIE COUNTY, OHIO**

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Private Purpose Trust</u>	<u>Investment Trust</u>
<b>Additions:</b>		
Investment income . . . . .	\$ 1,837	\$ 23,939
Transactions:		
Purchase of units . . . . .	-	1,608,005
Redemption of units . . . . .	-	<u>(1,557,632)</u>
Total additions . . . . .	<u>1,837</u>	<u>74,312</u>
<b>Reductions:</b>	<u>-</u>	<u>-</u>
Total reductions . . . . .	<u>-</u>	<u>-</u>
Change in net assets. . . . .	1,837	74,312
<b>Net assets at beginning of year . . . . .</b>	<u>41,917</u>	<u>386,399</u>
<b>Net assets at end of year . . . . .</b>	<u>\$ 43,754</u>	<u>\$ 460,711</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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## ERIE COUNTY, OHIO

### NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005

#### NOTE 1 - DESCRIPTION OF THE COUNTY

Erie County (the "County"), a political subdivision of the State of Ohio, was formed in 1838. The three member Board of County Commissioners is the legislative and executive body of the County. The County Auditor is the chief financial officer and the County Treasurer is custodian of all funds. There are six other elected administrative officials, each of whom is independent, as set forth in Ohio law. These officials are: Coroner, Engineer, Prosecutor, Recorder, Sheriff, and Clerk of Courts. There is also a Common Pleas Court General Judge, a Domestic Relations Court Judge, a Probate Court Judge and a County Court Judge elected on a countywide basis to oversee the County's justice system.

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

The basic financial statements (BFS) of the County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government 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 its proprietary funds provided they do not conflict with or contradict GASB pronouncements. The County has the option to also apply FASB Statements and Interpretations issued after November 30, 1989 to its business-type activities and enterprise funds, subject to this same limitation. The County has elected not to apply these FASB Statements and Interpretations.

The most significant of the County's accounting policies are described below.

##### A. Reporting Entity

The County's reporting entity has been defined in accordance with GASB Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units". The basic financial statements include all funds, agencies, boards, commissions, and component units for which the County and the County Commissioners are "accountable". Accountability as defined in GASB Statement No. 14 was evaluated based on financial accountability, the nature and significance of the potential component unit's (PCU) relationship with the County, and whether exclusion would cause the County's basic financial statements to be misleading or incomplete. Among the factors considered were separate legal standing; appointment of a voting majority of the PCU's board; fiscal dependency and whether a benefit or burden relationship exists; imposition of will; and the nature and significance of the PCU's relationship with the County.

**ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

Based on the foregoing criteria, the financial activities of the following PCU's have been reflected in the accompanying basic financial statements as:

*DISCRETELY PRESENTED COMPONENT UNIT*

Double S Industries, Inc.: Double S Industries, Inc. (the "Workshop") is a legally separate non-government, not-for-profit corporation served by a self-appointing Board of Trustees. The Workshop, under a contractual agreement with the Erie County Board of Mental Retardation and Developmental Disabilities (MRDD), provides sheltered employment for mentally retarded or disabled adults in Erie County. The Erie County Board of MRDD provides the Workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the Workshop. Based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to retarded and disabled adults of Erie County, Double S Industries, Inc. is reflected as a component unit of Erie County. The Workshop operates on a fiscal year ending December 31. Separately issued financial statements can be obtained from Double S. Industries, Inc., 4405 Galloway Road, Sandusky, Ohio, 44870.

Information in the following notes to the basic financial statements is applicable to the primary government. Information relative to the component unit is identified in Note 24.

*POTENTIAL COMPONENT UNITS REPORTED AS AGENCY FUNDS*

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

*Erie County General Health District  
Erie County Regional Planning  
Erie County Soil and Water Conservation District  
Erie-Ottawa Alcohol, Drug Addiction, and Mental Health Services  
Erie-Ottawa Family and Children First Council*

*JOINT VENTURES WITHOUT EQUITY INTEREST*

*Mental Health and Recovery Board of Erie and Ottawa Counties (MHRB)*

The MHRB is a governmental joint venture between Erie and Ottawa Counties. It provides mental health education, consultation, training, and referral services to the public. The organization is controlled by a board whose membership consists of five appointees of the State Board of Mental Health, nine appointees of the Erie County Commissioners, and six appointees of the Ottawa County Commissioners. Fiscal matters are handled by the Erie County Auditor. Financial statements for the MHRB are available, upon request, from: Mental Health and Recovery Board of Erie and Ottawa Counties, 416 Columbus Avenue, Sandusky, Ohio, 44870.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

Regional Airport Authority

The Regional Airport Authority is a joint venture between Erie and Ottawa Counties. The joint venture was formed to provide maintenance of runways and taxiways at the Airport facility. Three members are appointed by each Board of County Commissioners in Erie and Ottawa counties. The seventh member is appointed at large by the other six. The members serve without compensation, as outlined in Section 308.04 of the Ohio Revised Code. The treasurer/secretary is appointed by the Board of Trustees. Avion Management Service, Inc., a private corporation, manages the Airport and is located at Oakland Troy Executive Airport, 2672 Industrial Row, Troy, Michigan, 48084-7036. The County paid a total of \$61,310 to the Regional Airport Authority during fiscal 2005. The financial statements of the Regional Airport Authority do not include the managing airline's financial activity. Financial information for the Regional Airport Authority can be obtained from Jackie Dunn, Secretary, 3255 East State Road, Port Clinton, Ohio, 43452.

**B. Fund Accounting**

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

**Governmental Funds** - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the 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 is the primary operating fund of the County. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Mental Retardation and Developmentally Disabled (MR/DD) Fund - This fund accounts for the operation of a school and resident homes for the mentally retarded and developmentally disabled. Revenue sources include a property tax levy and federal/state grants.

Public Assistance Fund - This fund accounts for various Federal and State grants used to provide public assistance to general relief recipients and pay their providers of medical assistance, and for certain public social services.

Motor Vehicle License and Registration Fund - This fund accounts for revenues derived from motor vehicle and gasoline taxes. Expenditures are restricted by State law to County road and bridge repair and maintenance programs.

Tax Incremental Financing (TIF) Projects Fund - This fund accounts for financial transactions related to tax incremental financing agreement projects of the County, including the Kalahari and Quarry Lakes TIF agreement projects.

Other governmental funds of the County are used to account for (a) financial resources to be used for the acquisition, construction, or improvement of capital facilities; (b) the accumulation of resources for and the repayment of general long-term debt principal, interest, and related costs; and (c) grants and other resources, the use of which is restricted to a particular purpose.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

***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 or services. The County has presented the following major enterprise funds:

***Sewer Fund*** - To account for sanitary sewer services provided to individuals and commercial users. The costs of providing these services are financed primarily through user charges.

***Water Fund*** - To account for the distribution of treated water to individuals and commercial users. The costs of providing these services are financed primarily through user charges.

***Landfill Fund*** - To account for the operation of the sanitary landfill. The costs of operating this facility are financed primarily through user charges.

***Care Facility Fund*** - To provide nursing care to elderly residents. The costs of providing these services are financed primarily through user charges.

***Internal Service Fund*** - The internal service fund accounts 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 fund accounts for a medical benefit self-insurance program for employees of the County.

***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. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's fiduciary funds are an investment trust fund, a private-purpose trust fund, and agency funds. The agency funds account for undivided taxes, local government funds and local government revenue assistance, fines distributions, lodging excise taxes, the Care Facility, the District Board of Health, Erie Regional Planning, soil and water conservation, the Mental Health Recovery Board, the Family and Children First Council, State of Ohio monies, County subdivisions, payroll, the clerk of courts, the County courts, the prosecutor, and the sheriff.

**C. Basis of Presentation and Measurement Focus**

***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 activities of the internal service fund are 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 government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund 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.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the County and for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County. 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 - Fund financial statements report detailed information about the County. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund financial statements. Fiduciary funds are reported by fund type.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of revenues, expenses and changes in 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the County's proprietary funds are charges for sales and services. Operating expenses for the enterprise fund include personnel and other expenses related to the operations of the enterprise activity and claims and administrative expenses of the internal service fund. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

The investment trust fund and private-purpose trust funds are reported using the economic resources measurement focus. The agency funds do not report a measurement focus as they do not report operations.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

**D. Basis of Accounting**

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

**Revenues - Exchange and Non-exchange Transactions** - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the full 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 sixty days of year-end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On a full accrual basis, revenue from sales taxes is recognized in the period in which the income is earned. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 6). 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 all other nonexchange 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: sales tax, interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

**Deferred Revenue** - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Delinquent property taxes and property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met also are recorded as deferred revenue.

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

**Expense/Expenditures** - On the full accrual basis of accounting, expenses are recognized at the time they are incurred.



**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

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

**E. Budgetary Data**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds and the investment trust fund, are required to be budgeted and appropriated.

Budgetary information for Double S Industries is not reported because it is not included in the entity for which the "appropriated budget" is adopted, and does not itself maintain budgetary financial records.

The legal level of budgetary control is at the object level within each department. Although statutes require that all funds be budgeted, it is not necessary to do so if the County Commissioners do not anticipate expenditure of the available funds.

Segregated cash accounts are not included in the budgetary presentation because they are not controlled by the County Commissioners and the departments do not adopt separate budgets. Advances-in and advances-out are not required to be budgeted since they represent a cash flow resource. Budgetary modifications may only be made by resolution of the County Commissioners.

**Tax Budget** - A budget of estimated cash receipts and disbursements is submitted to the County Auditor, as secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year. All funds, except agency funds, are legally required to be budgeted. The expressed purpose of the Tax Budget is to reflect the need for existing (or increased) tax rates.

**Estimated Resources** - The County Budget Commission determines if the budget substantiates a need to levy the full amount of authorized property tax rates and reviews revenue estimates. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official Certificate of Estimated Resources, which states the projected revenue of each fund.

On or about January 1, the Certificate of Estimated Resources is amended to include unencumbered fund balances at December 31. Further amendments may be made during the year if the County Auditor determines that revenue to be collected will be greater than or less than the prior estimates and the Budget Commission finds the revised estimates to be reasonable. The amounts set forth in the budgetary statements represent estimates from the first and final amended certificate issued during 2005.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

*Appropriations* - A temporary appropriation resolution to control cash disbursements may be passed on or about January 1 of each year for the period January 1 to March 31. An annual Appropriation Resolution must be passed by April 1 of each year for the period January 1 to December 31. The Appropriation Resolution may be amended or supplemented during the year as new information becomes available. Appropriations may not exceed estimated resources. The County legally adopted several supplemental appropriations during the year. The original and final budgets (including amendments and supplemental appropriations necessary during 2005) are included in the budgetary statements.

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

**F. Cash and Investments**

To improve cash management, cash received by the County is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the County's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

During fiscal year 2005, investments were limited to STAR Ohio, certificates of deposit, U.S. Treasury Notes, federal agency securities, and Erie County bonds. Except for nonparticipating investment contracts, investments are reported at fair value, which is based on quoted market prices. Nonparticipating investment contracts, such as certificates of deposit, are reported at cost.

STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission (SEC) as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2005.

Interest earnings are allocated to County funds according to state statutes, grant requirements, or debt related restrictions. Interest revenue credited to the General fund during 2005 was \$1,312,229, which includes \$1,029,690 assigned from other County funds.

The County has segregated bank accounts for monies held separately from the County's central bank account. These interest-bearing depository accounts are presented on the financial statements as "Cash in Segregated Accounts" since they are not required to be deposited into the County treasury.

For presentation on the basic financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are considered to be cash equivalents. Investments with an initial maturity of more than three months, and which are directly attributable to a specific fund other than the general fund, are reported as investments.

An analysis of the Treasurer's investment account at year-end is provided in Note 4.

**ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

**G. External Investment Pool**

By statute, the County serves as fiscal agent for various legally separate entities. The County pools the moneys of these entities with the County's moneys for investment purposes. The County cannot allocate its investments between the internal and external investment pools. The external investment pool is not registered with the SEC as an investment company. The fair value of investments is determined annually. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rata share of the interest that it earns. The fair value of investments for both the internal and external investment pools is disclosed in Note 4, "Deposits and Investments". A statement of net assets and a statement of changes in net assets have been presented as part of the basic financial statements.

**H. Inventories of Materials and Supplies**

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis. Inventories are accounted for using the consumption method.

On fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Inventories of the proprietary funds are expensed when used.

On governmental fund financial statements, reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

**I. Capital Assets**

Governmental capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and deletions during the year. Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of \$5,000. The County's governmental infrastructure consists of roads, bridges, culverts, street signs, traffic lights, sidewalks, and storm water lines while the County's business-type infrastructure consists of water and sewer lines. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land improvements	10 - 20 years	10 - 20 years
Buildings/improvements	20 - 50 years	20 - 50 years
Machinery and equipment	5 - 20 years	5 - 20 years
Vehicles	5 - 10 years	5 - 10 years
Infrastructure	20 - 50 years	20 - 50 years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The County's policy is to capitalize net interest on construction projects until substantial completion of the project. The amount of capitalized interest equals the difference between the interest cost associated with the tax-exempt borrowing used to finance the project from the date of borrowing until completion of the project and the interest earned from temporary investment of the debt proceeds over the same period.

Capitalized interest is amortized on the straight-line method over the estimated useful life of the asset. For 2005, the net interest expense incurred on proprietary fund construction projects was not material.

**J. Compensated Absences**

Compensated absences of the County consist of vacation leave and sick leave to the extent that payment to the employee for these absences are attributable to services already rendered and are not contingent on a specific event that is outside the control of the County and the employee.

In accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences", a liability for vacation leave is accrued if a) the employees' rights to payment are attributable to services already rendered; and b) it is probable that the employer will compensate the employees for the benefits through paid time off or other means, such as cash payment at termination or retirement. A liability for sick leave is based on the sick leave accumulated at December 31, 2005 by those employees who are currently eligible to receive termination (severance) payments, as well as those employees expected to become eligible in the future. Sick leave benefits are accrued using the "vesting" method. The County records a liability for 25 percent of accumulated sick time to a maximum of 960 hours for employees with a minimum of 15 years of service and 40 years of age.

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at December 31, 2005, and reduced to the maximum payment allowed by labor contract and/or statute, plus applicable additional salary related payments.

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

On governmental fund financial statements, compensated absences are recognized as liabilities and expenditures in the fund financial statements to the extent payments come due each period upon the occurrence of employee resignations and retirements. The noncurrent portion of the liability is not reported in the governmental fund financial statements. For proprietary funds, the entire amount of compensated absences is reported as a fund liability.

**ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

**K. 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 in the proprietary fund financial statements.

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

**L. Unamortized Issuance Costs/Bond Premium and Discount/Accounting Gain or Loss**

On government-wide and proprietary fund financial statements, issuance costs are deferred and amortized over the term of the bonds using the straight line method, which approximates the effective interest method. Unamortized bond issuance costs are recorded as an asset on the financial statements.

Bond premiums and discounts are deferred and accreted over the term of the bonds. Bond premiums are presented as an addition to the face amount of the bonds and bond discounts are presented as a reduction to the face amount of the bonds. Bond premiums and discounts are amortized to interest expense over the life of the bond.

For advance refundings resulting in the defeasance of debt reported in the proprietary funds, the difference between the reacquisition price and the net carrying amount of the old debt is deferred and amortized as a component of interest expense. This accounting gain or loss is amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter, and is presented as an addition to or reduction of the face amount of the new debt.

On the governmental fund financial statements, issuance costs, bond premiums, and bond discounts are recognized in the current period.

**M. Interfund Transactions**

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

During the normal course of operations, the County has numerous transactions between funds. Transfers represent movement of resources from a fund receiving revenue to a fund through which those resources will be expended and are recorded as other financing sources (uses) in governmental funds and as transfers in proprietary funds. Interfund transactions that would be treated as revenues and expenditures/expenses if they involved organizations external to the County are treated similarly when involving other funds of the County.

**ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivable/interfund payable" for the current portion of interfund loans to/from other funds for the non-current portion of interfund loans. All other outstanding balances outstanding between funds are reported as "due to/from other funds." These amounts are eliminated in the statement of net assets, except for any residual balances outstanding between the governmental activities and business-type activities, which are reported in the government-wide financial statements as "internal balances".

Loans between funds, as reported in the governmental fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

**N. Fund Balance Reserves and Designations**

Reserved or designated fund balances indicate that a portion of fund equity is not available for current appropriation or use. The unreserved or undesignated portions of fund equity reflected in the governmental funds are available for use within the specific purposes of the funds.

The County reports amounts representing outstanding encumbrances, materials and supplies inventory, loans receivable, and loans to other funds as reservations of fund balance in the governmental funds. The County reports amounts set-aside by the County Commissioners for budget stabilization as a designation of fund balance in the governmental funds.

**O. Contributions of Capital**

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources restricted to capital acquisition and construction. Capital contributions are reported as revenue in the proprietary fund financial statements.

**P. 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 improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

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

**Q. Extraordinary and Special Items**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County Commissioners and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal 2005.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

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

**R. Estimates**

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

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE**

**A. Restatement of Fund Balance/Net Assets**

For fiscal year 2005, the County reclassified certain governmental funds in order to properly reflect their intended purpose. These fund reclassifications had no effect on governmental activities net assets as previously reported. The fund reclassifications did have the following effect on governmental fund balance as previously reported at December 31, 2004.

<u>Governmental Funds</u>	<u>General</u>	<u>MR/DD</u>	<u>Public Assistance</u>	<u>Motor Vehicle License &amp; Registration</u>	<u>TIF Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balance, December 31, 2004	\$ 8,052,259	\$ 1,141,459	\$ (485,999)	\$ 3,281,454	\$ 5,296,948	\$ 10,617,476	\$ 27,903,597
Fund reclassifications	<u>(9,504)</u>	<u>356,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(347,092)</u>	<u>-</u>
Restated fund balance, January 1, 2005	<u>\$ 8,042,755</u>	<u>\$ 1,498,055</u>	<u>\$ (485,999)</u>	<u>\$ 3,281,454</u>	<u>\$ 5,296,948</u>	<u>\$ 10,270,384</u>	<u>\$ 27,903,597</u>

The County has also determined that a prior period adjustment is required in order to properly report special assessments receivable which were overstated in the governmental funds and understated in the proprietary funds in the prior year. In addition, the County has determined that a prior period adjustment is required in order to properly report capital assets and accumulated depreciation in the proprietary funds in the prior year. These prior period adjustments for special assessments receivable, capital assets, and accumulated depreciation had the following effect on proprietary fund net assets and proprietary fund changes in net assets as previously reported at December 31, 2004.

<u>Proprietary Funds</u>	<u>Sewer</u>	<u>Water</u>	<u>Landfill</u>	<u>Care Facility</u>	<u>Total</u>
Net assets, December 31, 2004	\$ 35,329,721	\$ 12,364,602	\$ (11,217,823)	\$ 2,225,007	\$ 38,701,507
Adjustment for special assessments receivable	842,691	716,947	-	-	1,559,638
Adjustment for capital assets	-	-	(3,013,746)	-	(3,013,746)
Adjustment for accumulated depreciation	<u>-</u>	<u>-</u>	<u>108,830</u>	<u>-</u>	<u>108,830</u>
Restated net assets, January 1, 2005	<u>\$ 36,172,412</u>	<u>\$ 13,081,549</u>	<u>\$ (14,122,739)</u>	<u>\$ 2,225,007</u>	<u>\$ 37,356,229</u>

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

<u>Proprietary Funds</u>	<u>Sewer</u>	<u>Water</u>	<u>Landfill</u>	<u>Care Facility</u>	<u>Total</u>
Changes in net assets, December 31, 2004	\$ 1,669,266	\$ (809,204)	\$ (2,494,218)	\$ (177,281)	\$ (1,811,437)
Adjustment for special assessments receivable	842,691	716,947	-	-	1,559,638
Adjustment for capital assets	-	-	(3,013,746)	-	(3,013,746)
Adjustment for accumulated depreciation	-	-	108,830	-	108,830
Restated changes in net assets, January 1, 2005	<u>\$ 2,511,957</u>	<u>\$ (92,257)</u>	<u>\$ (5,399,134)</u>	<u>\$ (177,281)</u>	<u>\$ (3,156,715)</u>

The prior period adjustments for special assessments receivable, capital assets, and accumulated depreciation had the following effect on governmental activities net assets and business-type activities net assets as previously reported at December 31, 2004.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Net assets, December 31, 2004	\$ 69,919,404	\$ 38,276,972	\$ 108,196,376
Adjustment for special assessments receivable	(1,557,244)	1,559,638	2,394
Adjustment for capital assets	-	(3,013,746)	(3,013,746)
Adjustment for accumulated depreciation	-	108,830	108,830
Restated net assets, January 1, 2005	<u>\$ 68,362,160</u>	<u>\$ 36,931,694</u>	<u>\$ 105,293,854</u>

**B. Change in Accounting Principles**

For fiscal year 2005, the County has implemented GASB Statement No. 40, "Deposit And Investment Risk Disclosures" and GASB Statement No. 42, "Accounting And Financial Reporting For Impairment Of Capital Assets And For Insurance Recoveries".

GASB Statement No. 40 establishes and modifies disclosure requirements for custodial credit risk on deposits, and it establishes and modifies disclosure requirements related to investment risks; credit risk (including custodial credit risk and concentration of credit risk) and interest rate risk.

GASB Statement No. 42 amends GASB Statement No. 34 and establishes accounting and financial reporting standards for impairment of capital assets and accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 40 and GASB Statement No. 42 did not have an effect on the basic financial statements of the County; however, additional note disclosure for GASB Statement No. 40 can be found in Note 4.



**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 3 - ACCOUNTABILITY AND COMPLIANCE - (Continued)**

**C. Deficit Fund Balances/Net Assets**

<u>Major Funds</u>	<u>Deficit</u>
Public Assistance	\$ 1,024,256
Landfill	19,866,197

The Landfill fund complied with Ohio state law, which does not permit a cash basis deficit at year-end. The Public Assistance fund did not comply with Ohio State law, which does not permit a cash basis deficit at year-end (see Note 3.D.) The general fund is liable for any deficits in these funds and provides transfers when cash is required, not when accruals occur. The deficit net assets of the Landfill fund resulted primarily from the reporting of a liability for landfill closure and post-closure care costs. The deficit fund balance of the Public Assistance fund resulted from the cash basis deficit and adjustments for accrued liabilities.

**D. Negative Cash Balance**

Contrary to Ohio Revised Code, Section 5705.10, the following fund had a negative cash balance:

<u>Major Fund</u>	<u>Cash Balance</u>
Public Assistance	\$ (511,865)

For financial reporting purposes, this negative cash balance been reported as a fund liability.

**E. Legal Compliance**

Contrary to Ohio Revised Code, Section 5705.41, the following funds had appropriations in excess of available estimated resources:

<u>Major Funds</u>	<u>Excess</u>
MR/DD	\$ 207,893
Public Assistance	54,754

**NOTE 4 - DEPOSITS AND INVESTMENTS**

**A. Primary Government**

State statutes classify monies held by the County into two categories:

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

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

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested in the following securities:

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. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasury Asset Reserve of Ohio (STAR Ohio) investment pool.
7. High grade commercial paper for a period not to exceed 180 days in an amount not to exceed twenty-five percent of the County's interim monies available for investment; and
8. Bankers acceptances for a period not to exceed 180 days and in an amount not to exceed twenty-five percent of the County's interim monies available for investment.

The County may also invest any monies not required to be used for a period of six months or more in the following:

1. Bonds of the State of Ohio;
2. Bonds of any municipal corporation, village, county, township, or other political subdivision of Ohio, as to which there is no default of principal, interest or coupons; and
3. Obligations of the County.

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.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

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

*Cash in Segregated Accounts:* At year-end, \$2,995,852 was on deposit in segregated accounts used by various County departments, and included in the total amount of deposits reported below; however, this amount is not part of the internal cash pool reported on the basic financial statements as “Equity in Pooled Cash and Cash Equivalents”.

*Cash on Hand:* At year-end, the County had \$142,545 in undeposited cash on hand which is included on the basic financial statements of the County as part of “Equity in Pooled Cash and Cash Equivalents.”

**A. Deposits with Financial Institutions**

At December 31, 2005, the carrying amount of all County deposits was \$21,194,515. Based on the criteria described in GASB Statement No. 40, “Deposits and Investment Risk Disclosures”, as of December 31, 2005, \$1,045,365 of the County’s bank balance of \$23,312,973 was covered by the Federal Deposit Insurance Corporation, and \$22,267,608 was exposed to custodial risk as discussed below.

Custodial credit risk is the risk that, in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. As permitted by Ohio Revised Code, the County’s deposits are collateralized by a pool of eligible securities deposited with Federal Reserve Banks, or at member banks of the Federal Reserve System, in the name of the depository bank and pledged as a pool of collateral against all public deposits held by the depository. The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Although the securities were held by the pledging institutions’ trust department and all statutory requirements for the deposit of money had been followed, noncompliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

**B. Investments**

As of December 31, 2005, the County had the following investments and maturities:

Investment type	Balance at Fair Value	Investment Maturities				
		6 months or less	7 to 12 months	13 to 18 months	19 to 24 months	Greater than 24 Months
FHLMC	\$ 14,833,981	\$ 7,926,742	\$ 4,921,938	\$ 1,985,301	\$ -	\$ -
FHLB	5,961,862	3,979,623	987,476	994,763	-	-
FNMA	2,991,840	1,991,840	-	-	1,000,000	-
STAR Ohio	4,512,051	4,512,051	-	-	-	-
County-owned bonds	<u>3,259,778</u>	<u>3,150,000</u>	<u>109,778</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 31,559,512</u>	<u>\$ 21,560,256</u>	<u>\$ 6,019,192</u>	<u>\$ 2,980,064</u>	<u>\$ 1,000,000</u>	<u>\$ -</u>

The weighted average maturity of investments is 0.29 years.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

*Interest Rate Risk:* The Ohio Revised Code generally limits security purchases to those that mature within five years of the settlement date. Interest rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. The County's investment policy addresses interest rate risk by requiring the consideration of market conditions and cash flow requirements in determining the term of an investment.

*Credit Risk:* STAR Ohio carries a rating of AAAM by Standard & Poor's. Ohio law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard service rating. The County's other investments, including the federal agency securities, but not STAR Ohio or any repurchase agreements as discussed above, were rated AAA and Aaa by Standard & Poor's.

*Concentration of Credit Risk:* The County's investment policy addresses concentration of credit risk by requiring investments to be diversified to reduce the risk of loss resulting from over concentration of assets in a specific issue or specific class of securities. The following table includes the percentage of each investment type held by the County at December 31, 2005:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLMC	\$ 14,833,981	47.00%
FHLB	5,961,862	18.89%
FNMA	2,991,840	9.48%
STAR Ohio	4,512,051	14.30%
County-owned bonds	3,259,778	10.33%
Total	<u>\$ 31,559,512</u>	<u>100.00%</u>

**C. Reconciliation of Cash and Investments to the Statement of Net Assets**

The following is a reconciliation of cash and investments as reported in the footnote above to cash and investments as reported on the statement of net assets as of December 31, 2005:

Cash and Investments per Note Disclosure

Carrying amount of deposits	\$ 21,194,515
Investments	31,559,512
Cash on hand	<u>142,545</u>
Total	<u>\$ 52,896,572</u>

Cash and Investments per Statement of Net Assets

Governmental activities	\$ 24,884,234
Business-type activities	15,369,355
Fiduciary funds	<u>12,642,983</u>
Total	<u>\$ 52,896,572</u>

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)**

**D. Component Unit**

At year-end, the carrying amount of the Double S Industries deposits was \$184,310. There are no statutory restrictions regarding the deposit and investment of monies by the non-profit corporation, nor does it categorize deposits and investments, in accordance with its basis of accounting.

**NOTE 5 - INTERFUND TRANSACTIONS**

- A. Interfund transfers for the year ended December 31, 2005 consisted of the following, as reported in the fund financial statements:

Transfers from General fund to:

Public Assistance fund	\$ 362,057
Nonmajor Governmental funds	3,031,854
Sewer fund	184,966
Internal Service fund	27,843

Transfers from Nonmajor Governmental funds to:

General fund	15,334
Public Assistance fund	850,000
Motor Vehicle License & Registration fund	21,406
Sewer fund	108,339
Water fund	2,405
Landfill fund	2,266
Care Facility fund	93,729

Transfers from Sewer fund to:

Nonmajor Governmental funds	123,200
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Transfers from Water fund to:

Nonmajor Governmental funds	24,104
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Transfers from Landfill fund to:

Nonmajor Governmental funds	6,400
Water fund	45,510

Total	<u>\$ 4,899,413</u>
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Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

- B.** Due to and from other funds at December 31, 2005 consisted of the following, as reported in the fund financial statements:

<u>Due to General fund from:</u>	
MR/DD fund	\$ 6,403
Public Assistance fund	558,907
Motor Vehicle License & Registration fund	9,303
TIF Projects fund	5,595
Nonmajor Governmental funds	35,655
Sewer fund	2,801
Water fund	4,251
Landfill fund	129
Care Facility fund	6,500
<u>Due to MR/DD fund from:</u>	
Public Assistance fund	41,017
<u>Due to Public Assistance fund from:</u>	
Nonmajor Governmental funds	95,009
<u>Due to Motor Vehicle License &amp; Registration fund from:</u>	
General fund	159
MR/DD fund	199
TIF Projects fund	5,173
<u>Due to Nonmajor Governmental funds from:</u>	
General fund	1,300
Landfill fund	18,320
<u>Due to Water fund from:</u>	
General fund	3,436
MR/DD fund	1,998
Landfill fund	7,133
<u>Due to Landfill fund from:</u>	
Nonmajor Governmental funds	50
Sewer fund	355
	355
Total	\$ 803,693

Amounts due to/from other funds represent amounts owed between funds for goods or services provided. The balances result from the time lag between the dates that payments between the funds are made. Amounts due at year-end between governmental activities have been eliminated for reporting in the government-wide financial statements. Amounts due at year-end between governmental activities and business-type activities have been reported as an internal balance.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 5 - INTERFUND TRANSACTIONS - (Continued)**

C. Loans to and from other funds at December 31, 2005 consisted of the following, as reported in the fund financial statements:

<u>Loan from General fund to:</u>	<u>Amount</u>
Nonmajor Governmental fund	<u>\$ 6,401</u>

Loans to and from other funds are long-term loans between funds that are not expected to be repaid within the subsequent fiscal year. This loan has been eliminated for reporting in the government-wide financial statements.

**NOTE 6 - PROPERTY TAXES**

Property taxes include amounts levied against all real, public utility and tangible (used in business) property located in the County. Real property taxes and public utility taxes are levied after October 1 on the assessed value listed as of the prior January 1, the lien date. Assessed values are established by state law at 35% of appraised market value. Public utility property taxes are assessed on tangible personal property, as well as land and improvements, at 88% of true value for taxable transmission and distribution property and 25% of true value for all other taxable property. Tangible personal property taxes attach as a lien and are levied on January 1 of the current year. Tangible personal property assessments are 25% of true value. Ohio law prohibits taxation of property from all taxing authorities in excess of 10.00 mills of assessed value without a vote of the people. Presently, the County levies 2.30 mills of the 10.00 mill limit for the General fund, and no additional millage has been levied for general County operations. Voters have also authorized a 3.00 mill continuing levy for the MR/DD fund, which was replaced on May 6, 2003 for tax years 2003 and thereafter.

The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

<u>Real Property:</u>	
Agricultural	\$ 62,717,020
Residential	1,278,637,330
Commercial/Industrial/Mineral	340,604,010
 <u>Public Utility Property:</u>	
Real	4,953,110
Personal	73,648,020
Tangible Personal Property	<u>201,754,895</u>
Total assessed value	<u>\$ 1,962,314,385</u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due March 1. If paid semi-annually, the first payment is due March 1 and the remainder payable July 15. Under certain circumstances, State statute permits earlier or later payment dates to be established.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 6 - PROPERTY TAXES - (Continued)**

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Tangible personal property taxes for unincorporated and single county businesses are due semi-annually, with the first payment due May 10 and the remainder payable by September 20. Due dates are normally extended an additional 30 days. The due date for the entire tax for inter-county businesses is September 20 or the extended date. The first \$10,000 of taxable value is exempt from taxation for each business by state law.

The lien date is either December 31 or the end of their fiscal year (for incorporated businesses in operation more than one year). Since each business must file a return to the County Auditor, the tangible personal taxes are not known until all the returns are received.

"Real estate and other taxes" receivable represents delinquent real and tangible personal property and public utility taxes outstanding as of December 31 (net of allowances for estimated uncollectibles) and real and public utility taxes which were measurable as of the year end.

Since the current levy is not intended to finance 2005 operations, the receivable is offset by a credit to "deferred revenue". The eventual collection of significantly all real and public utility property taxes (both current and delinquent) is reasonably assured due to the County's ability to force foreclosure of the properties on which the taxes are levied.

**NOTE 7 - RECEIVABLES**

Receivables at December 31, 2005 consisted of taxes, accounts (billings for user charged services), special assessments, loans, accrued interest, intergovernmental receivables arising from grants, entitlements and shared revenues. All intergovernmental receivables have been reported as "due from other governments" in the basic financial statements. Receivables have been recorded as described in Note 2.D. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of state programs, and the current year guarantee of federal funds.

A summary of the principal items of receivables reported on the statement of net assets follows:

**Governmental Activities:**

Real estate and other taxes	\$ 10,667,528
Sales taxes	3,043,880
Accounts	395,804
Special assessments	385,892
Due from other governments	5,230,042
Loans	185,526
Accrued interest	106,135

**Business-Type Activities:**

Accounts	2,632,815
Special assessments	999,350
Due from other governments	37,392

Receivables have been disaggregated in the basic financial statements.



**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 7 - RECEIVABLES - (Continued)**

The most significant receivable, other than taxes, is due from other governments, which includes local government funds, local government revenue assistance, motor vehicle license registration fees, and gasoline excise tax.

The only receivables not expected to be collected within the subsequent year are the special assessments, which are collected over the life of the assessment. The amount of special assessments receivable reported above includes a total of \$537,571 in delinquent special assessments. Of this total, \$37,948 is reported in governmental activities and \$499,623 is reported in business-type activities.

**NOTE 8 - LOANS RECEIVABLE**

The County, through the Community Development Block Grant program, makes low-interest or interest-free loans to small businesses in the County. The activity for these loans is accounted for in the Revolving Loan special revenue fund. The following is a summary of the changes in loans receivable during 2005.

Balance of loans receivable, December 31, 2004	\$ 360,578
Less: Loan principal payments received in 2005	(73,099)
Less: Loans delinquent at 12/31/05	<u>(101,953)</u>
Loans receivable, December 31, 2005	<u><u>\$ 185,526</u></u>

**NOTE 9 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2005 was as follows:

	Balance			Balance
	<u>12/31/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/05</u>
<b><u>Governmental Activities:</u></b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,125,082	\$ -	\$ -	\$ 2,125,082
Total capital assets, not being depreciated	<u>2,125,082</u>	<u>-</u>	<u>-</u>	<u>2,125,082</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	1,103,755	-	-	1,103,755
Buildings and improvements	39,899,659	162,620	-	40,062,279
Equipment and machinery	5,261,185	1,266,550	(44,220)	6,483,515
Vehicles	3,041,811	455,155	-	3,496,966
Infrastructure	<u>35,975,858</u>	<u>2,979,795</u>	<u>(219,896)</u>	<u>38,735,757</u>
Total capital assets, being depreciated	<u>85,282,268</u>	<u>4,864,120</u>	<u>(264,116)</u>	<u>89,882,272</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(170,643)	(54,485)	-	(225,128)
Buildings and improvements	(10,076,946)	(904,081)	-	(10,981,027)
Equipment and machinery	(3,163,386)	(415,257)	44,220	(3,534,423)
Vehicles	(1,818,056)	(331,786)	-	(2,149,842)
Infrastructure	<u>(10,914,396)</u>	<u>(1,368,543)</u>	<u>34,930</u>	<u>(12,248,009)</u>
Total accumulated depreciation	<u>(26,143,427)</u>	<u>(3,074,152)</u>	<u>79,150</u>	<u>(29,138,429)</u>
Total capital assets, being depreciated net	<u>59,138,841</u>	<u>1,789,968</u>	<u>(184,966)</u>	<u>60,743,843</u>
Governmental activities capital assets, net	<u><u>\$ 61,263,923</u></u>	<u><u>\$ 1,789,968</u></u>	<u><u>\$ (184,966)</u></u>	<u><u>\$ 62,868,925</u></u>

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 9 - CAPITAL ASSETS - (Continued)**

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

**Governmental Activities:**

Legislative and executive	\$ 602,561
Judicial	261,192
Public safety	469,672
Public works	1,604,391
Health	69,467
Human services	60,041
Conservation and recreation	<u>6,828</u>
Total depreciation expense	<u>\$ 3,074,152</u>

	<u>Balance</u>			<u>Balance</u>
	<u>12/31/04</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/05</u>
<b><u>Business-Type Activities:</u></b>				
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,434,459	\$ -	\$ -	\$ 2,434,459
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>2,434,459</u>	<u>-</u>	<u>-</u>	<u>2,434,459</u>
<i>Capital assets, being depreciated:</i>				
Land improvements	4,556,650	-	-	4,556,650
Buildings and improvements	36,953,082	8,329	-	36,961,411
Equipment and machinery	7,135,569	667,909	-	7,803,478
Vehicles	1,143,957	63,902	-	1,207,859
Infrastructure	<u>92,997,296</u>	<u>9,962,216</u>	<u>-</u>	<u>102,959,512</u>
Total capital assets, being depreciated	<u>142,786,554</u>	<u>10,702,356</u>	<u>-</u>	<u>153,488,910</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,733,551)	(4,871)	-	(2,738,422)
Buildings and improvements	(12,382,326)	(679,345)	-	(13,061,671)
Equipment and machinery	(4,032,960)	(241,429)	-	(4,274,389)
Vehicles	(888,478)	(70,636)	-	(959,114)
Infrastructure	<u>(26,160,725)</u>	<u>(2,286,786)</u>	<u>-</u>	<u>(28,447,511)</u>
Total accumulated depreciation	<u>(46,198,040)</u>	<u>(3,283,067)</u>	<u>-</u>	<u>(49,481,107)</u>
Total capital assets, being depreciated net	<u>96,588,514</u>	<u>7,419,289</u>	<u>-</u>	<u>104,007,803</u>
Business-type activities capital assets, net	<u>\$ 99,022,973</u>	<u>\$ 7,419,289</u>	<u>\$ -</u>	<u>\$ 106,442,262</u>

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 10 - CAPITAL LEASE - LESSEE DISCLOSURE**

During fiscal 2005, and in prior years, the County entered into lease agreements for the acquisition of equipment in the Sewer fund and Landfill fund. These lease agreements meet the criteria of a capital lease as defined by FASB Statement No. 13, "Accounting for Leases", which defines a capital lease generally as one which transfers the benefits and risks of ownership to the lessee. On cash-basis, capital lease payments have been reclassified as debt service expenses and are reported as principal retirement and interest expense. On GAAP-basis, the principal retirement component of these cash-basis debt service expenses is then eliminated and used to reduce the liability for the capital lease obligation.

Proprietary capital assets consisting of equipment have been capitalized in the Sewer fund and Landfill fund in the amounts of \$147,230 and \$1,082,607, respectively. These amounts represent the present value of the minimum lease payments at the time of the lease inceptions. A corresponding liability has been recorded in the Sewer fund and Landfill fund. During fiscal 2005, principal and interest payments totaled \$98,173 and \$3,443, respectively, in the Sewer fund, and \$101,148 and \$4,656, respectively, in the Landfill fund.

The following is a schedule of the future minimum lease payments required under the capital leases and the present value of the minimum lease payments as of December 31, 2005:

<u>Year Ended</u> <u>December 31,</u>	<u>Amount</u>
2006	\$ 188,973
2007	84,296
2008	84,296
2009	84,296
2010	<u>84,296</u>
Total	526,157
Less: Amount representing interest	<u>(47,673)</u>
Present value of minimum lease payments	<u>\$ 478,484</u>

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 11 - LONG-TERM OBLIGATIONS**

**A. Governmental Activities**

During fiscal 2005, the following changes occurred in the County's governmental activities long-term obligations:

<u>Governmental Activities:</u>	Maturity <u>Date</u>	Interest <u>Rate</u>	Balance <u>12/31/04</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>12/31/05</u>	Amounts <u>Due In 1 Year</u>
<b><u>General Obligation Bonds</u></b>							
1987 Human Services Building	2012	7.375%	\$ 480,000	\$ -	\$ (60,000)	\$ 420,000	\$ 60,000
1998 Various Purpose Improvements	2019	3.05-4.75%	5,380,000	-	(300,000)	5,080,000	305,000
1999 Courthouse Improvements	2007	3.85-4.8%	335,000	-	(105,000)	230,000	110,000
2002 Juvenile Detention Facility	2022	2-5.375%	1,670,000	-	(70,000)	1,600,000	70,000
2004 Refunding	2016	2-3.75%	<u>560,000</u>	<u>-</u>	<u>(50,000)</u>	<u>510,000</u>	<u>55,000</u>
Total General Obligation Bonds			<u>8,425,000</u>	<u>-</u>	<u>(585,000)</u>	<u>7,840,000</u>	<u>600,000</u>
<b><u>Special Assessment Bonds</u></b>							
1985 Perkins-Margaretta Project	2005	8.875%	95,000	-	(95,000)	-	-
1986 Perkins-Margaretta Project	2006	6.75%	290,000	-	(145,000)	145,000	145,000
1991 East Erie Cleveland Road	2011	6.55%	19,500	-	(2,500)	17,000	2,500
1995 Glidden / Riverport	2015	5.7%	410,000	-	(25,000)	385,000	30,000
1996 Parker Road	2016	5.9%	210,000	-	(10,000)	200,000	10,000
1996 Joppa Road	2016	6.375%	48,000	-	(3,000)	45,000	3,000
1997 Various Purpose Improvements	2017	4.87-5%	68,000	-	(4,000)	64,000	4,000
1998 Various Purpose Improvements	2019	3.05-4.6%	170,000	-	(10,000)	160,000	10,000
1999 Various Purpose Improvements	2014	3.85-4.8%	495,000	-	(155,000)	340,000	165,000
2003 Country Club Lane Curbs	2013	3.75%	<u>43,977</u>	<u>-</u>	<u>(4,199)</u>	<u>39,778</u>	<u>4,355</u>
Total Special Assessment Bonds			<u>1,849,477</u>	<u>-</u>	<u>(453,699)</u>	<u>1,395,778</u>	<u>373,855</u>
<b><u>Bond Anticipation Notes</u></b>							
2004 County Courthouse Improvements	2005	2%	1,000,000	-	(1,000,000)	-	-
2004 Kalahari Infrastructure	2005	2%	10,100,000	-	(10,100,000)	-	-
2004 Quarry Lakes Infrastructure	2005	2.5%	2,350,000	-	(2,350,000)	-	-
2005 County Courthouse Improvements	2006	3.3%	-	1,000,000	-	1,000,000	1,000,000
2005 County Jail Improvements	2006	3.35%	-	800,000	-	800,000	800,000
2005 Dog Kennel Construction	2006	3.25%	-	400,000	-	400,000	400,000
2005 Behnke Ditch Improvements	2006	3.15%	-	70,000	-	70,000	70,000
2005 Kalahari TIF Construction	2006	3.25%	-	8,000,000	-	8,000,000	8,000,000
2005 Quarry Lakes TIF Construction	2006	3.5%	-	2,500,000	-	2,500,000	2,500,000
2005 U.S. Route 250 Project	2006	3.35%	<u>-</u>	<u>2,350,000</u>	<u>-</u>	<u>2,350,000</u>	<u>2,350,000</u>
Total Bond Anticipation Notes			<u>13,450,000</u>	<u>15,120,000</u>	<u>(13,450,000)</u>	<u>15,120,000</u>	<u>15,120,000</u>
<b><u>Other Long-Term Obligations</u></b>							
Compensated Absences			1,914,633	245,251	(555,781)	1,604,103	421,178
Total Other Long-Term Obligations			<u>1,914,633</u>	<u>245,251</u>	<u>(555,781)</u>	<u>1,604,103</u>	<u>421,178</u>
Total Governmental Activities Long-Term Obligations			<u>\$ 25,639,110</u>	<u>\$ 15,365,251</u>	<u>\$ (15,044,480)</u>	25,959,881	<u>\$ 16,515,033</u>
Add: Amortized premiums on bonds						<u>4,959</u>	
Total Governmental Activities Long-Term Obligations Reported on the Statement of Net Assets						<u>\$ 25,964,840</u>	

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

General Obligation Bonds - The general obligation bonds were issued in order to provide the financial resources for various construction, improvement and renovation projects on buildings of the County, and for other capital projects of the County. The bonds were issued in various fiscal years from 1987 to 2004, mature in various fiscal years from 2007 to 2022, and carry interest rates ranging from 2.00% to 7.375%. The bonds are supported by the full faith and credit of the County, and are being retired through rental charges and other operating revenues of the County.

Special Assessment Bonds - The special assessment bonds were issued in order to provide the financial resources for special assessment projects of the County. The bonds were issued in various fiscal years from 1984 to 2003, mature in various fiscal years from 2005 to 2019, and carry interest rates ranging from 3.050% to 9.625%. The bonds are supported by the full faith and credit of the County, and are being retired from the proceeds of special assessment levies against the property owners who are primarily benefited from the special assessment projects. In the event that the property owners fail to make these payments, the County is responsible for providing the resources to meet annual debt service payments.

Bond Anticipation Notes - The bond anticipation notes were issued in order to provide the financial resources for improvements to buildings of the County and infrastructure capital projects of the County. The notes were issued during fiscal year 2005, mature in fiscal year 2006, and carry interest rates ranging from 3.15% to 3.50%. The notes are supported by the full faith and credit of the County, and will be retired from the proceeds of bonds or notes issued in the subsequent fiscal year, and with cash or operating revenues of the County.

Compensated Absences - Compensated absence obligations represent severance and vacation liabilities owed to employees of the County. These obligations will be paid out of the fund from which the employee is paid, primarily the General fund.

The following is a summary of the County's future annual debt service principal and interest requirements for governmental activities long-term obligations:

Year Ended	General Obligation Bonds			Special Assessment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2006	600,000	355,010	955,010	373,856	78,418	452,274
2007	625,000	328,708	953,708	244,019	54,708	298,727
2008	520,000	302,755	822,755	74,188	42,597	116,785
2009	535,000	281,595	816,595	75,864	38,573	114,437
2010	545,000	259,065	804,065	77,047	34,450	111,497
2011 - 2015	2,670,000	920,802	3,590,802	460,804	102,257	563,061
2016 - 2020	2,090,000	327,683	2,417,683	90,000	7,183	97,183
2021 - 2022	255,000	18,672	273,672	-	-	-
Total	<u>\$ 7,840,000</u>	<u>\$ 2,794,290</u>	<u>\$ 10,634,290</u>	<u>\$ 1,395,778</u>	<u>\$ 358,186</u>	<u>\$ 1,753,964</u>

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

**B. Business-Type Activities**

During fiscal 2005, the following changes occurred in the County's business-type activities long-term obligations:

<u>Business-Type Activities:</u>	Maturity	Interest	Balance			Balance	Amounts
	<u>Date</u>	<u>Rate</u>	<u>12/31/04</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/05</u>	<u>Due In 1 Year</u>
<b><u>General Obligation Bonds</u></b>							
<u>Sewer Fund</u>							
1992 Marshall Avenue Pump Station	2012	6.05%	\$ 295,000	\$ -	\$ (30,000)	\$ 265,000	\$ 30,000
1996 Cleveland Road East Trunk	2016	5.9%	365,000	-	(20,000)	345,000	25,000
1999 Rye Beach Trunk Line	2019	3.85-5.625%	1,880,000	-	(85,000)	1,795,000	90,000
1999 Cleveland Road Main Extension	2019	3.85-5.625%	420,000	-	(20,000)	400,000	20,000
2000 Ruggles - Mitiwanga Rehabilitation	2020	4.3-5.5%	150,000	-	(5,000)	145,000	5,000
2001 Route 6 / Mitiwanga West	2021	3-5.5%	740,000	-	(30,000)	710,000	35,000
2001 Columbus Park Subdivision	2021	3-5.5%	405,000	-	(15,000)	390,000	20,000
2002 Perkins Township Rehabilitation	2022	2-5.375%	635,000	-	(25,000)	610,000	25,000
2004 Refunding	2014	2-3.75%	2,640,000	-	(240,000)	2,400,000	235,000
<u>Water Fund</u>							
1993 Route 4	2015	5.7%	240,000	-	(15,000)	225,000	15,000
1995 Billings Road Elevated Tank	2016	5.9%	405,000	-	(25,000)	380,000	25,000
1997 Various Purpose Improvements	2017	4.875-5%	372,900	-	(23,800)	349,100	23,000
1997 Various Purpose Improvements	2019	3.05-4.6%	450,000	-	(25,000)	425,000	25,000
1999 State Route 101	2019	3.85-5.625%	440,000	-	(20,000)	420,000	20,000
1999 U.S. Route 250 Relocation	2019	3.85-5.625%	645,000	-	(30,000)	615,000	30,000
2000 Columbus / Oakland / U.S. Route 250	2020	4.3-5.5%	1,025,000	-	(40,000)	985,000	45,000
2000 State Route 4 Improvements	2020	4.3-5.5%	440,000	-	(20,000)	420,000	20,000
2001 South Columbus / Taylor Road	2021	3-5.5%	775,000	-	(35,000)	740,000	35,000
2001 Mason Road / Taylor Road	2021	3-5.5%	300,000	-	(15,000)	285,000	15,000
2001 Marshall Avenue Improvements	2021	3-5.5%	395,000	-	(15,000)	380,000	20,000
2001 Maple Avenue / Bardwell	2021	3-5.5%	455,000	-	(20,000)	435,000	20,000
2004 Refunding	2016	2-3.75%	2,480,000	-	(195,000)	2,285,000	195,000
<u>Landfill Fund</u>							
2000 Garbage and Refuse District	2020	4.3-5.5%	2,885,000	-	(115,000)	2,770,000	120,000
2001 Garbage and Refuse District	2021	3-5.5%	2,865,000	-	(120,000)	2,745,000	130,000
2004 Garbage and Refuse Improvements	2024	3-5.25%	11,700,000	-	(395,000)	11,305,000	405,000
<u>Care Facility Fund</u>							
1997 Building Construction	2007	4.9%	369,100	-	(117,200)	251,900	123,000
Total General Obligation Bonds			33,772,000	-	(1,696,000)	32,076,000	1,751,000
<b><u>Special Assessment Bonds</u></b>							
<u>Sewer Fund</u>							
2001 Chappell Creek	2021	3-5.5%	1,220,000	-	(50,000)	1,170,000	50,000
Total Special Assessment Bonds			1,220,000	-	(50,000)	1,170,000	50,000
<b><u>Bond Anticipation Notes</u></b>							
<u>Landfill Fund</u>							
2005 Landfill Construction	2006	3.25%	-	5,000,000	-	5,000,000	5,000,000
Total Bond Anticipation Notes			-	5,000,000	-	5,000,000	5,000,000

**ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

	Maturity	Interest	Balance			Balance	Amounts
<u>Business-Type Activities:</u>	<u>Date</u>	<u>Rate</u>	<u>12/31/04</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/05</u>	<u>Due In 1 Year</u>
<b><u>Ohio Water Development Authority Loans</u></b>							
<u>Sewer Fund</u>							
1977 Sandusky	2006	6.25%	63,941	-	(41,838)	22,103	22,103
1977 Ruggles - Mitiwanga	2007	6.25%	12,155	-	(5,856)	6,299	6,299
1985 Sawmill	2015	6.91%	4,384,372	-	(298,244)	4,086,128	318,853
2003 Route 250 Expansion	2007	5.65%	328,459	76,792	-	405,251	-
2003 Rehabilitation Hinde / Maple	2033	4.34%	874,358	46,369	(24,107)	896,620	17,663
2003 State Route 4 Extension	2033	4.28%	2,987,092	131,565	(70,923)	3,047,734	73,975
2004 A Street Rehabilitation	2035	4.16%	1,385,995	95,976	(14,743)	1,467,228	30,405
2005 Rehabilitation	2036	4.1%	-	1,015,148	-	1,015,148	-
2005 Huron Basin WWTP Improvements	2021	4%	-	281,918	-	281,918	-
2005 Huron Basin WWTP Design	2010	5%	-	23,936	-	23,936	-
2005 Pump Station Elimination	2036	3.99%	-	370,303	-	370,303	-
2005 Extension	2037	4%	-	2,636,215	-	2,636,215	-
<u>Water Fund</u>							
1996 Route 250 Construction	2016	6.91%	1,525,306	-	(97,103)	1,428,203	103,812
2002 System Expansion	2033	4.74%	5,443,789	-	(93,230)	5,350,559	97,701
2003 System Expansion	2034	4.65%	5,233,796	-	(88,161)	5,145,635	92,308
2003 Booster Station	2034	4.7%	738,099	-	(12,329)	725,770	12,915
2003 Main Extensions Contract 3	2034	4.34%	3,758,053	91,921	(69,553)	3,780,421	72,588
2003 District B Contract 4	2036	4.28%	3,064,523	450,403	-	3,514,926	-
2004 Treatment Feasibility Study	2009	5.16%	283,760	31,053	-	314,813	-
2004 System Planning and Design	2009	5.16%	86,562	11,684	(7,472)	90,774	-
2004 Elevated Storage Tanks	2036	4.56%	152,925	2,273,776	-	2,426,701	-
2004 SCADA System	2016	4.56%	35,475	510,523	-	545,998	-
2005 Perkins Avenue Main Loop	2026	3.99%	-	443,272	-	443,272	-
2005 Berlin Heights Booster Station	2021	3.75%	-	91,186	-	91,186	-
Total Ohio Water Development Authority Loans			<u>30,358,660</u>	<u>8,582,040</u>	<u>(823,559)</u>	<u>38,117,141</u>	<u>848,622</u>
<b><u>Ohio Public Works Commission Loans</u></b>							
<u>Sewer Fund</u>							
1996 Cleveland Road Pump Station	2016	-	42,496	-	(3,696)	38,800	3,695
1997 Stoney Ridge Pump Station	2018	-	59,281	-	(4,560)	54,721	4,560
2000 Ruggles / Mitiwanga Project	2011	-	103,354	-	(15,901)	87,453	15,901
2001 Columbus Park Subdivision	2009	-	106,967	-	(16,457)	90,510	16,456
2003 Perkins Rehabilitation	2011	-	121,087	-	(17,298)	103,789	17,298
2005 Hull Road Fitzgerald Subdivision	2015	-	-	50,719	-	50,719	12,408
<u>Water Fund</u>							
2002 Columbus Avenue / Taylor Road	2012	-	<u>130,422</u>	<u>-</u>	<u>(17,389)</u>	<u>113,033</u>	<u>17,390</u>
Total Ohio Public Works Commission Loans			<u>563,607</u>	<u>50,719</u>	<u>(75,301)</u>	<u>539,025</u>	<u>87,708</u>
<b><u>Other Long-Term Obligations</u></b>							
Capital Lease Obligation			129,034	548,771	(199,321)	478,484	171,630
Landfill Closure and Postclosure Care Liability			9,908,703	1,556,907	-	11,465,610	-
Compensated Absences			<u>378,120</u>	<u>13,124</u>	<u>(115,058)</u>	<u>276,186</u>	<u>69,860</u>
Total Other Long-Term Obligations			<u>10,415,857</u>	<u>2,118,802</u>	<u>(314,379)</u>	<u>12,220,280</u>	<u>241,490</u>
Total Business-Type Activities Long-Term Obligations			<u>\$ 76,330,124</u>	<u>\$ 15,751,561</u>	<u>\$ (2,959,239)</u>	<u>89,122,446</u>	<u>\$ 7,978,820</u>
Add: Amortized premium on bonds						487,594	
Less: Amortized discount on bonds						<u>(32,964)</u>	
Total Business-Type Activities Long-Term Obligations Reported on the Statement of Net Assets						<u>\$ 89,577,076</u>	

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

General Obligation Bonds - The general obligation bonds were issued in order to provide the financial resources for various sewer, water, landfill, and care facility projects of the County. The bonds were issued in various fiscal years from 1992 to 2004, mature in various fiscal years from 2007 to 2024, and carry interest rates ranging from 2.00% to 6.05%. Each series of bonds is reported in and retired from the enterprise fund to which it relates. The bonds are secured by the County's ability to levy a voted or unvoted property tax within the limitations of Ohio law. Self-supporting bonds are secured by an unvoted property tax levy (special assessments), however, each bond indenture provides for debt service payments to be paid from user charges. The self-supporting bonds also carry the County's full faith and credit as commitment for repayment.

In prior fiscal years, the County defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The liability for the defeased bonds is not included in the basic financial statements, and neither are the assets of the trust accounts.

During fiscal 2004, the County issued general obligation bonds to refund the 1993 general obligation refunding bonds. The principal amount outstanding on the refunded bonds was \$5,935,000, and the average interest rate was 4.862%. These refunded bonds are considered defeased (in-substance) and, accordingly, have been removed from the basic financial statements.

The general obligation refunding bonds are comprised of current interest bonds, par value \$5,680,000. The proceeds of this bond issuance were used to purchase securities which were placed in an irrevocable trust in order to provide financial resources for all future debt service payments on the refunded bonds. The refunding bonds carry interest rates ranging from 2.00% to 3.75%, and pay interest semi-annually on June 1 and December 1 of each year. The final maturity date of the refunding bonds is December 1, 2016. This refunding was undertaken in order to reduce the total debt service payments over the next 12 years by \$415,000, and resulted in an economic gain of \$395,000. The refunding bonds are a general obligation of the County for which the full faith and credit of the County is pledged for repayment.

As of December 31, 2005, \$18.060 million in general obligation bonds are considered defeased.

Special Assessment Bonds - The special assessment bonds were issued in order to provide the financial resources for special assessment projects of the County. The bonds were issued during fiscal 2001, mature in fiscal 2021, and carry interest rates ranging from 3.00% to 5.50%. The bonds are supported by the full faith and credit of the County, and are being retired from the proceeds of special assessment levies against the property owners who are primarily benefited from the special assessment projects. In the event that property owners fail to make these payments, the County is responsible for providing the resources to meet annual debt service payments.

Bond Anticipation Notes - The bond anticipation note was issued in order to provide the financial resources for landfill construction projects. This note was issued during fiscal 2005, matures in fiscal 2006, and carries an interest rate of 3.25%. The note is a liability of the landfill fund and will be retired with landfill revenues and with the proceeds of bonds or notes issued in the subsequent fiscal year.



**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)**

OWDA Loans - The OWDA loans were entered into by the County in order to provide the financial resources for various sewer and water projects of the County. The loans were entered into in various fiscal years from 1977 to 2005, mature in various fiscal years from 2006 to 2037, and carry interest rates ranging from 3.75% to 6.91%. These loans function similar to a line-of-credit agreement. The semi-annual debt service payments due to the OWDA are payable from sewer and water revenues. As of December 31, 2005, some of the amortization schedules for these loans are not available because monies related to the sewer and water projects are still being disbursed and the loans are not finalized.

OPWC Loans - The OPWC loans were entered into by the County in order to provide the financial resources for various sewer and water projects of the County. The loans were entered into in various fiscal years from 1996 to 2005, mature in various fiscal years from 2009 to 2018, and are interest-free. The semi-annual principal payments due to the OPWC are payable from sewer and water revenues.

Capital Lease Obligation - Capital lease obligations represent leases entered into by the County in order to provide the financial resources for the acquisition of capital assets. The debt service payments on the capital lease obligations are paid out of the fund that maintains custody of the related capital asset.

Compensated Absences - Compensated absence obligations represent severance and vacation liabilities owed to employees of the County. These obligations will be paid out of the fund from which the employee is paid.

The following is a summary of the County's future annual debt service principal and interest requirements for business-type activities long-term obligations:

Year Ended	General Obligation Bonds			Special Assessment Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2006	\$ 1,751,000	\$ 1,497,808	\$ 3,248,808	\$ 50,000	\$ 54,012	\$ 104,012
2007	1,811,000	1,431,136	3,242,136	55,000	52,488	107,488
2008	1,751,000	1,364,051	3,115,051	60,000	50,645	110,645
2009	1,790,000	1,297,660	3,087,660	60,000	48,485	108,485
2010	1,765,000	644,053	2,409,053	60,000	46,265	106,265
2011 - 2015	9,273,000	4,928,455	14,201,455	345,000	193,450	538,450
2016 - 2020	8,760,000	2,725,532	11,485,532	440,000	101,200	541,200
2021 - 2024	5,175,000	740,962	5,915,962	100,000	5,500	105,500
Total	<u>\$ 32,076,000</u>	<u>\$ 14,629,657</u>	<u>\$ 46,705,657</u>	<u>\$ 1,170,000</u>	<u>\$ 552,045</u>	<u>\$ 1,722,045</u>

- C. The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County.

The Code further provides that the total voted and unvoted net debt of the County, less the same exempt debt, shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000. Based on this calculation, the County's legal voted debt margin was \$40,101,835 (including available funds of \$383,975) at December 31, 2005, and the legal unvoted debt margin was \$12,167,119 at December 31, 2005.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 12 - RISK MANAGEMENT**

**A. General Insurance**

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any one time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees.

CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County does not have an equity interest in CORSA. The County's payment for insurance to CORSA in 2005 was \$940,827.

With the exceptions of employee group health, dental, and vision insurances, and workers' compensation, all insurance is held with CORSA. There has been no significant reduction in coverage from 2004, and settled claims have not exceeded limits of coverage in the past three years. The County pays all elected officials' bonds in accordance with statute.

**B. Health Care Insurance**

The County has established an internal service fund to account for and finance its self-funded employee health care benefits program. Under this program, the fund provides up to a maximum of \$100,000 for each claim. The fund purchases policies from commercial insurance carriers for claims in excess of the \$100,000.

The liability for claims payable is based on the requirements of GASB Statement No. 30, "Risk Financing Omnibus", which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported if information prior to 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 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. Claims payable at December 31, 2005 are estimated by the third party administrator at \$957,930.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 12 - RISK MANAGEMENT - (Continued)**

Changes in the liability for claims payable for the current and prior fiscal years were:

	<u>Beginning Balance</u>	<u>Claims and Changes in Claims Estimates</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
2005	\$ 1,181,572	\$ 6,703,477	\$ (6,927,119)	\$ 957,930
2004	830,897	7,331,181	(6,980,506)	1,181,572

**C. Insurance Purchasing Pool**

For 2005, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

**NOTE 13 - OTHER EMPLOYEE BENEFITS**

**Compensated Absences**

County employees earn vacation leave at varying rates ranging from two to five weeks per employee per year. Ohio law requires that vacation not be accumulated for more than three years. Generally, all vacation time is to be taken in the year available unless administrative written approval to carry over is obtained. 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. Upon retirement, employees with a minimum of 15 years of service and 40 years of age are paid 25 percent of accumulated sick time to a maximum of 960 hours. In general, employees are eligible to be paid for unused compensation time upon termination of employment. All sick, vacation and compensation payments are made at employees' current wage rates. As of December 31, 2005, the total liability for compensated absences was \$1,880,289 for the primary government. Of that amount, the liability for governmental activities was \$1,604,103 and the liability for business-type activities was \$276,186.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 14 - PENSION PLANS**

**A. Ohio Public Employees Retirement System**

The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employee defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by OPERS to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member-directed plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

For the year ended December 31, 2005, members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salary to fund pension obligations. Members participating in the traditional plan, who were in law enforcement, contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The County's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 11.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contribution for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$2,608,400, \$2,284,505, and \$2,266,182, respectively; 96.44 percent has been contributed for 2005, and 100 percent has been contributed for 2004 and 2003. The unpaid contribution for 2005 of \$92,841 has been recorded as a liability.

**B. State Teachers Retirement System**

For certified teachers employed by the school for mental retardation and developmental disabilities, the County contributes to the State Teacher Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits to members and death and survivor benefits to 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. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 14 - PENSION PLANS - (Continued)**

New members have a choice of three retirement plans, a Defined Benefit Plan (DBP), a Defined Contribution Plan (DCP), and a Combined Plan (CP). The DBP offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on the years of service or on an allowance based on member contributions and earned interest matched by STRS funds multiplied by an actuarially determined annuity factor. The DCP allows members to place all of their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age fifty and termination of employment. The CP offers features of both the DBP and DCP. In the CP, member contributions are invested by the member and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DBP. DCP and CP members will transfer to the DBP during their fifth year of membership unless they permanently select the DCP or CP. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balance from the existing DBP into the DCP or CP. This option expired on December 31, 2001.

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

For the fiscal year ended December 31, 2005, plan members were required to contribute 9.3 percent of their annual covered salary and the County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employees.

The County's required contribution for pension obligations for the DBP for the fiscal years ended December 31, 2005, 2004, and 2003 were \$46,448, \$64,312, and \$59,382, respectively; 98.45 percent has been contributed for fiscal year 2005 and 100 percent has been contributed for fiscal years 2004 and 2003. The unpaid contribution for 2005 of \$722 has been recorded as a liability.

**NOTE 15 - POSTEMPLOYMENT BENEFITS**

**A. Ohio Public Employees Retirement System**

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by OPERS is considered an Other Postemployment Benefit (OPB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Government Employers". A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 employer contribution rate was 13.55 percent of covered payroll (16.7 percent for law enforcement and public safety); 4.00 percent was the portion used to fund health care.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)**

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees), and an additional increase in total payroll between 0.5 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4 percent annually after 8 years.

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

The number of active contributing participants in the traditional and combined plans was 364,881. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$1,092,523. The actual contribution and the actuarial required contribution amounts are the same. OPERS's net assets available for the payment of benefits at December 31, 2004 (the latest information available), was \$10 billion. The actuarial accrued liability and the unfunded actuarial accrued liability were \$18.7 billion and \$8.7 billion, respectively.

On September 9, 2004, the OPERS retirement board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

**B. State Teachers Retirement System of Ohio**

The County provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligation to contribute are established by the STRS based on authority granted by State statute. STRS is funded on a pay-as-you-go basis.

The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. For fiscal year 2005, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount was \$3,573.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3,011 million at June 30, 2004 (the latest information available). For the fiscal year ended June 30, 2004, net health care costs paid by STRS were \$354,697,000, and STRS had 105,300 eligible benefit recipients.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 16 - BUDGETARY BASIS OF ACCOUNTING**

While reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts and disbursements.

The Statement of Revenue, Expenditures, and Changes in Fund Balance - Budget and Actual (Non-GAAP Budgetary Basis) presented for the general fund and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are that:

- (a) Revenues and other financing sources are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis);
- (b) Expenditures and other financing uses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis);
- (c) In order to determine compliance with Ohio law, and to reserve that portion of the applicable appropriation, total outstanding encumbrances (budget basis) are recorded as the equivalent of an expenditure, as opposed to a reservation of fund balance for that portion of outstanding encumbrances not already recognized as payables (GAAP basis).

The adjustments necessary to convert the results of operations for the year on the budget basis to the GAAP basis for the general fund and major special revenue funds are as follows:

	<u>Net Change in Fund Balances</u>			
	<u>General</u>	<u>MR/DD</u>	<u>Public Assistance</u>	<u>Motor Vehicle License &amp; Registration</u>
Budget basis	\$ 71,276	\$ 276,890	\$ (1,167,259)	\$ (1,512,391)
Net adjustment for revenue accruals	255,078	(111,007)	91,284	632,287
Net adjustment for expenditure accruals	(192,181)	90,293	(58,498)	(1,897,121)
Net adjustment for other financing sources/(uses)	(27,824)	-	-	(42,307)
Encumbrances (budget basis)	<u>910,703</u>	<u>726,190</u>	<u>596,216</u>	<u>2,501,357</u>
GAAP Basis	<u>\$ 1,017,052</u>	<u>\$ 982,366</u>	<u>\$ (538,257)</u>	<u>\$ (318,175)</u>

**NOTE 17 - INVESTMENT POOL**

The County serves as fiscal agent for the Erie County Metro Parks District, a legally separate entity. The County pools the monies of this entity with the County's for investment purposes. The County cannot allocate its investments between the internal and external investment pools. The investment pool is not registered with the SEC as an investment company. The fair value of investments is determined annually. The pool does not issue shares. Each participant is allocated a pro rata share of each investment at fair value along with a pro rate share of interest that it earns.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 17 - INVESTMENT POOL - (Continued)**

Condensed financial information for the investment pool is as follows:

**Statement of Net Assets  
December 31, 2005**

<u>Assets</u>	
Equity in pooled cash and cash equivalents	\$ 49,900,720
Accrued interest receivable	<u>106,135</u>
Total	<u>\$ 50,006,855</u>
<u>Net Assets Held in Trust for Pool Participants</u>	
Internal portion	\$ 49,546,144
External portion	<u>460,711</u>
Total	<u>\$ 50,006,855</u>

**Statement of Changes in Net Assets  
For The Year Ended December 31, 2005**

<u>Revenues</u>	
Interest revenue	\$ 2,124,748
<u>Expenses</u>	
Operating expenses	<u>-</u>
Net increase in assets resulting from operations	2,124,748
Distribution to pool participants	(2,096,981)
<u>Capital Transactions</u>	
Proceeds of investments sold	49,900,720
Purchase of investments	<u>(50,729,732)</u>
Total increase in net assets	(801,245)
Net assets, beginning of year	<u>50,808,100</u>
Net assets, end of year	<u>\$ 50,006,855</u>

At year end, the carrying amount of the pool's deposits was \$10,483,298 and the bank balance was \$12,122,806. Of the bank balance, \$300,000 was covered by federal depository insurance, \$5,055,520 was covered by specific securities held by the pledging banks' trust department in the name of the County, and \$6,767,286 was uninsured and uncollateralized. Although all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

At year end, the investments of the pool classified according to GASB Statement No. 3 were as follows:



**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 17 - INVESTMENT POOL - (Continued)**

	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
Federal agency securities	\$ -	\$ 23,787,683	\$ 23,787,683
County-owned bonds	3,259,778	-	3,259,778
Investments not subject to categorization:			
Investment in STAR Ohio	<u>-</u>	<u>-</u>	<u>4,512,051</u>
Total investments	<u>\$ 3,259,778</u>	<u>\$ 23,787,683</u>	<u>\$ 31,559,512</u>

As of December 31, 2005, the federal agency securities have maturity dates ranging from January 2006 to December 2008 and interest rates ranging from 2.234% to 2.945%. STAR Ohio's interest rate was 4.20%.

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

**NOTE 18 - CONTINGENCIES**

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 defendant in numerous other claims and lawsuits, ranging from tort liability to civil rights litigation, in which the County believes the amounts claimed are overstated and not fair estimates of the ultimate settlements, if any, of these claims. Amounts paid by the County in 2005 for litigation settled were not material.

The County participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits by grantors or their representatives. Such audits could identify expenditures disallowed under the terms of the grant and the applicable funds may need to be reimbursed to the granting agency. At December 31, 2005, the audits of certain programs have not been completed. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The County believes that disallowed claims, if any, will not have a material effect on the County's financial position and no provisions have been made.

In September, 1997, the County entered into an agreement to provide local share funding of \$4.3 million to the Ohio Department of Transportation (ODOT), for the purpose of widening 5.5 miles of U.S. Route 250 from the Ohio Turnpike Interchange 7 to Ohio State Route 2, and improvements to Interchange 7 and the Butler Street Ramp in the City of Sandusky. The County Treasurer provided the local share from funds on hand in the County Treasury, which will be repaid to the County over a 20-year period; annual principal and interest installments commenced October 1, 1998. To assist with repayment to the County Treasury, the County Commissioners signed an agreement with the Erie County Visitors and Convention Bureau (VCB) to remit proceeds from an additional one percent (1%) hotel/motel tax enacted by the Commissioners, effective January, 1997.

In 1997, the County Treasurer remitted \$1.55 million to ODOT; the remainder was remitted in 2000. There were no repayments from the County in 2005, although management anticipates remitting final amounts to ODOT once the project is completed in 2006. The County's General fund is contingently liable for any shortcomings from the hotel/motel tax. At December 31, 2005, \$1,111,110 was collected and available in proceeds from the second one percent hotel/motel tax.

**ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE 19 - CLOSURE AND POST-CLOSURE CARE COSTS**

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

The \$11,465,610 reported as the landfill closure and postclosure care liability at December 31, 2005 represents the cumulative amount reported to date based on the use of 81.56% of the estimated capacity of the landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$2,592,274 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2005. The County expects to close the landfill in the year 2019. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to pass a financial accountability test or to make annual contributions to a trust to finance closure and postclosure costs. The County has passed the financial accountability test proving the ability to self-fund these costs.

**NOTE 20 - RELATED PARTY TRANSACTIONS**

In 2005, the County provided facilities, certain equipment, transportation and salaries for the administration, implementation and supervision of programs to Double S Industries, Inc. (the "Workshop"), a discretely presented component unit of the County. The Workshop reported \$64,099 for such contributions, recording revenue and expenses at cost or fair value, as applicable, to the extent the contribution is related to the vocational purposes of the Workshop.

**NOTE 21 - CONDUIT DEBT OBLIGATIONS**

In prior fiscal years, the County has issued Industrial Revenue Bonds and Health Care Facility Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2005, there were 21 series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for the fifteen series issued prior to July 1, 1995 could not be determined, however, their original issue amounts totaled \$212.380 million. The aggregate principal amount payable for the six series issued after July 1, 1995 could not be determined either, however, their original issue amounts totaled \$108.655 million.

**ERIE COUNTY, OHIO**

NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005

**NOTE 22 - CONTRACTUAL COMMITMENTS**

As of December 31, 2005, the County was contractually obligated for various construction and improvement projects. A summary of the projects follows:

<u>Vendor</u>	<u>Contract Amount</u>	<u>Amount Paid as of 12/31/05</u>	<u>Contract Balance</u>
Ameresco	\$ 305,000	\$ -	\$ 305,000
Appraisal	757,346	(481,297)	276,049
Arcadis	405,559	(220,076)	185,483
Bergmann	127,666	(42,400)	85,266
Brown and Caldwell	1,319,472	(1,032,718)	286,754
Burgess & Niple	900,622	(624,436)	276,186
Concept	376,350	(220,122)	156,228
Giving Tree	1,543,054	(1,379,340)	163,714
Lake Erie	132,832	-	132,832
Melco	4,553,447	(3,802,395)	751,052
Mid-Ohio	190,478	(106,873)	83,605
Miller Brothers	1,363,536	(1,161,605)	201,931
National	720,410	(599,118)	121,292
Omnicare	364,530	(202,737)	161,793
Poggemeyer	538,813	(224,751)	314,062
Speer Brothers	3,394,953	-	3,394,953
Underground	5,961,580	(745,810)	5,215,770
United	<u>1,493,758</u>	<u>(51,689)</u>	<u>1,442,069</u>
Total	<u>\$ 24,449,406</u>	<u>\$(10,895,367)</u>	<u>\$ 13,554,039</u>

**NOTE 23 - RESERVE BALANCE ACCOUNT**

In fiscal year 2000, the County established, in accordance with section 5705.13 of the Ohio Revised Code, an account for the express purpose of budget stabilization. No additional funds were reserved during fiscal 2005. Fund balance in the General fund has been designated in the fund financial statements (see Note 2).

**NOTE 24 - NOTES TO THE DISCRETELY PRESENTED COMPONENT UNIT**

**A. Summary of Significant Accounting Principles**

Double S Industries (the "Workshop"), is primarily a sheltered workshop providing employment to the mentally retarded or developmentally disabled, is a non-profit corporation existing under the laws of Ohio. The financial statements of the Workshop have been prepared on the accrual basis of generally accepted accounting principles and accordingly, reflect all significant receivables, payable, and other liabilities. Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Workshops. Under SFAS No., 117, the Workshop is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets temporarily restricted net assets, and permanently restricted net assets. At December 31, 2005, management considered certain net assets to be unrestricted and others to be temporarily restricted.

**ERIE COUNTY, OHIO**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**NOTE 24 - NOTES TO THE DISCRETELY PRESENTED COMPONENT UNIT - (Continued)**

The preparation of the financial statements in conformity with GAAP requires management to make estimated and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates. Substantially all major equipment acquired prior to 1986 and owned by the Workshop is quite old and is not reflected in the balance sheet accounts. For financial reporting purposes, the cost of equipment carried on the books is being charged against income over the estimated useful lives of such equipment, using the straight-line method. The estimated lives for equipment range between 5 and 10 years. Routine maintenance, repairs, renewals, and replacement costs are charged against income. Expenditures which materially increase value or extend useful lives are capitalized. Cost and related accumulated depreciation on property sold or otherwise retired are removed from the accounts and gains or losses on disposition are credited to or charged against income.

**B. Income Taxes**

The Workshop is a non-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

**C. Deposits**

Double S Industries acted as the fiscal agent for ECB/MRDD and certain other agencies which provided seminars. Revenue collected from seminars was offset by the expenses of the seminars with the net unexpended amount reflected as a deposit liability on the books of the Workshop. The unexpended liability account was \$2,368 at December 31, 2005.

**D. Job Coaching**

The Workshop provides job coaching services to certain clients of another non-profit workshop which has a contract with the ECB/MRDD paid staff to provide the service. The non-profit workshop receiving the service is charged only the cost of the staff utilized to provide such job coaching, which the Workshop collects and records as revenue. The Workshop reimburses the ECB/MRDD for the use of its staff and records it as an expense.

**E. Property and Equipment**

As previously described, the Workshop owns certain equipment; however, a majority of the equipment and the building utilized by the Workshop belongs to the ECB/MRDD, which contracts for the use of the facility at no charge. During the year ended December 31, 2005, the Workshop expended \$2,758 for new equipment, ownership of which vests in the Workshop.

COMBINING STATEMENTS  
AND INDIVIDUAL FUND SCHEDULES

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**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
<b>Revenues:</b>				
Property taxes . . . . .	\$ 5,301,505	\$ 5,321,738	\$ 5,423,126	\$ 101,388
Sales taxes . . . . .	11,861,736	11,907,006	12,133,853	226,847
Charges for services . . . . .	1,234,637	1,239,350	1,262,961	23,611
Licenses and permits. . . . .	7,077	7,104	7,239	135
Fines and forfeitures. . . . .	393,768	395,271	402,801	7,530
Intergovernmental . . . . .	3,376,843	3,389,732	3,454,311	64,579
Special assessments . . . . .	154,316	154,905	157,856	2,951
Reimbursements. . . . .	1,042,976	1,046,957	1,066,903	19,946
Investment income . . . . .	1,227,988	1,232,675	1,256,159	23,484
Other . . . . .	772,012	774,959	789,723	14,764
Total revenues . . . . .	<u>25,372,858</u>	<u>25,469,697</u>	<u>25,954,932</u>	<u>485,235</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive:				
Commissioners				
Personal services . . . . .	590,927	592,598	542,165	50,433
Materials and supplies. . . . .	660,463	662,331	605,963	56,368
Contractual services. . . . .	593,577	595,255	544,596	50,659
Total commissioners . . . . .	<u>1,844,967</u>	<u>1,850,184</u>	<u>1,692,724</u>	<u>157,460</u>
Microfilm				
Personal services . . . . .	134,533	134,914	123,432	11,482
Materials and supplies. . . . .	11,993	12,027	11,003	1,024
Total microfilm . . . . .	<u>146,526</u>	<u>146,941</u>	<u>134,435</u>	<u>12,506</u>
Finance				
Personal services . . . . .	226,426	227,067	207,742	19,325
Materials and supplies. . . . .	35,164	35,263	32,262	3,001
Total finance . . . . .	<u>261,590</u>	<u>262,330</u>	<u>240,004</u>	<u>22,326</u>
Information technology				
Personal services . . . . .	281,936	282,733	258,671	24,062
Materials and supplies. . . . .	25,760	25,832	23,634	2,198
Contractual services. . . . .	3,815	3,826	3,500	326
Total information technology. . . . .	<u>311,511</u>	<u>312,391</u>	<u>285,805</u>	<u>26,586</u>
Auditor				
Personal services . . . . .	492,571	493,964	451,925	42,039
Materials and supplies. . . . .	32,029	32,120	29,386	2,734
Contractual services. . . . .	241,483	242,166	221,556	20,610
Total auditor. . . . .	<u>766,083</u>	<u>768,250</u>	<u>702,867</u>	<u>65,383</u>

(continued)

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Treasurer</b>				
Personal services . . . . .	\$ 80,069	\$ 80,296	\$ 73,462	\$ 6,834
Materials and supplies. . . . .	25,319	25,391	23,230	2,161
Contractual services. . . . .	34,282	34,379	31,453	2,926
Total treasurer. . . . .	<u>139,670</u>	<u>140,066</u>	<u>128,145</u>	<u>11,921</u>
<b>Prosecuting attorney</b>				
Personal services . . . . .	1,120,114	1,123,281	1,027,684	95,597
Materials and supplies. . . . .	113,728	114,049	104,343	9,706
Contractual services. . . . .	14,075	14,115	12,914	1,201
Total prosecuting attorney . . . . .	<u>1,247,917</u>	<u>1,251,445</u>	<u>1,144,941</u>	<u>106,504</u>
<b>Human resources</b>				
Personal services . . . . .	240,122	240,801	220,308	20,493
Materials and supplies. . . . .	10,710	10,740	9,826	914
Contractual services. . . . .	42,734	42,855	39,208	3,647
Total human resources. . . . .	<u>293,566</u>	<u>294,396</u>	<u>269,342</u>	<u>25,054</u>
<b>Board of revision</b>				
Contractual services. . . . .	11,323	11,355	10,389	966
Total board of revision. . . . .	<u>11,323</u>	<u>11,355</u>	<u>10,389</u>	<u>966</u>
<b>Planning department</b>				
Personal services . . . . .	347,585	348,568	318,903	29,665
Materials and supplies. . . . .	38,859	38,968	35,652	3,316
Contractual services. . . . .	24,131	24,200	22,140	2,060
Total planning department. . . . .	<u>410,575</u>	<u>411,736</u>	<u>376,695</u>	<u>35,041</u>
<b>Facilities</b>				
Personal services . . . . .	1,400,818	1,404,779	1,285,225	119,554
Materials and supplies. . . . .	754,229	756,361	691,991	64,370
Contractual services. . . . .	720,510	722,548	661,055	61,493
Total facilities . . . . .	<u>2,875,557</u>	<u>2,883,688</u>	<u>2,638,271</u>	<u>245,417</u>
<b>Board of elections</b>				
Personal services . . . . .	296,281	297,118	271,832	25,286
Materials and supplies. . . . .	109,209	109,518	100,197	9,321
Contractual services. . . . .	50,994	51,138	46,786	4,352
Total board of elections. . . . .	<u>456,484</u>	<u>457,774</u>	<u>418,815</u>	<u>38,959</u>
<b>Recorder</b>				
Personal services . . . . .	285,259	286,066	261,720	24,346
Materials and supplies. . . . .	34,342	34,439	31,508	2,931
Contractual services. . . . .	1,107	1,111	1,016	95
Total recorder . . . . .	<u>320,708</u>	<u>321,616</u>	<u>294,244</u>	<u>27,372</u>
<b>Sheriff's facilities</b>				
Personal services . . . . .	101,533	101,820	93,156	8,664
Materials and supplies. . . . .	47,651	47,786	43,719	4,067
Contractual services. . . . .	182,526	183,042	167,464	15,578
Total sheriff's facilities . . . . .	<u>331,710</u>	<u>332,648</u>	<u>304,339</u>	<u>28,309</u>



**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
VOCA local match				
Personal services . . . . .	\$ 50,147	\$ 50,289	\$ 46,009	\$ 4,280
Total VOCA local match . . . . .	<u>50,147</u>	<u>50,289</u>	<u>46,009</u>	<u>4,280</u>
Unclaimed monies				
Contractual services. . . . .	<u>48,736</u>	<u>48,873</u>	<u>44,714</u>	<u>4,159</u>
Total unclaimed monies . . . . .	<u>48,736</u>	<u>48,873</u>	<u>44,714</u>	<u>4,159</u>
Other				
Materials and supplies . . . . .	8,279	8,303	7,596	707
Contractual services. . . . .	<u>49,314</u>	<u>49,454</u>	<u>45,245</u>	<u>4,209</u>
Total other . . . . .	<u>57,593</u>	<u>57,757</u>	<u>52,841</u>	<u>4,916</u>
Total general government -				
Total legislative and executive . . . . .	<u>9,574,663</u>	<u>9,601,739</u>	<u>8,784,580</u>	<u>817,159</u>
General government:				
Judicial				
Common pleas court				
Personal services . . . . .	729,402	731,465	669,213	62,252
Materials and supplies. . . . .	265,432	266,183	243,529	22,654
Contractual services. . . . .	<u>90,587</u>	<u>90,843</u>	<u>83,112</u>	<u>7,731</u>
Total common pleas court . . . . .	<u>1,085,421</u>	<u>1,088,491</u>	<u>995,854</u>	<u>92,637</u>
Family court				
Personal services . . . . .	2,008,869	2,014,550	1,843,101	171,449
Materials and supplies. . . . .	221,199	221,824	202,946	18,878
Contractual services. . . . .	<u>130,997</u>	<u>131,367</u>	<u>120,187</u>	<u>11,180</u>
Total family court . . . . .	<u>2,361,065</u>	<u>2,367,741</u>	<u>2,166,234</u>	<u>201,507</u>
Probate court				
Personal services . . . . .	289,754	290,573	265,844	24,729
Materials and supplies. . . . .	15,195	15,238	13,941	1,297
Contractual services. . . . .	<u>55,763</u>	<u>55,921</u>	<u>51,162</u>	<u>4,759</u>
Total probate court . . . . .	<u>360,712</u>	<u>361,732</u>	<u>330,947</u>	<u>30,785</u>
Clerk of courts				
Personal services . . . . .	583,034	584,683	534,923	49,760
Materials and supplies. . . . .	12,974	13,010	11,903	1,107
Contractual services. . . . .	<u>32,168</u>	<u>32,259</u>	<u>29,514</u>	<u>2,745</u>
Total clerk of courts. . . . .	<u>628,176</u>	<u>629,952</u>	<u>576,340</u>	<u>53,612</u>
County courts				
Personal services . . . . .	267,800	268,558	245,702	22,856
Materials and supplies. . . . .	16,523	16,570	15,160	1,410
Contractual services. . . . .	<u>16,938</u>	<u>16,986</u>	<u>15,540</u>	<u>1,446</u>
Total county courts . . . . .	<u>301,261</u>	<u>302,114</u>	<u>276,402</u>	<u>25,712</u>

(continued)

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Municipal courts				
Personal services . . . . .	\$ 24,554	\$ 24,624	\$ 22,528	\$ 2,096
Materials and supplies. . . . .	691	693	634	59
Contractual services. . . . .	191,138	191,679	175,366	16,313
Total municipal courts . . . . .	<u>216,383</u>	<u>216,996</u>	<u>198,528</u>	<u>18,468</u>
Total judicial . . . . .	<u>4,953,018</u>	<u>4,967,026</u>	<u>4,544,305</u>	<u>422,721</u>
Total general government. . . . .	<u>14,527,681</u>	<u>14,568,765</u>	<u>13,328,885</u>	<u>1,239,880</u>
Public safety				
Adult probation				
Personal services . . . . .	375,577	376,639	344,585	32,054
Materials and supplies. . . . .	13,250	13,288	12,157	1,131
Contractual services. . . . .	11,960	11,994	10,973	1,021
Total adult probation . . . . .	<u>400,787</u>	<u>401,921</u>	<u>367,715</u>	<u>34,206</u>
Juvenile detention facility				
Personal services . . . . .	1,393,836	1,397,777	1,278,819	118,958
Materials and supplies. . . . .	163,434	163,896	149,948	13,948
Contractual services. . . . .	127,115	127,475	116,626	10,849
Total juvenile detention facility . . . . .	<u>1,684,385</u>	<u>1,689,148</u>	<u>1,545,393</u>	<u>143,755</u>
Coroner				
Personal services . . . . .	71,726	71,929	65,807	6,122
Materials and supplies. . . . .	4,969	4,983	4,559	424
Contractual services. . . . .	73,940	74,150	67,839	6,311
Total coroner . . . . .	<u>150,635</u>	<u>151,062</u>	<u>138,205</u>	<u>12,857</u>
Sheriff				
Personal services . . . . .	5,436,945	5,452,320	4,988,299	464,021
Materials and supplies. . . . .	714,206	716,226	655,271	60,955
Contractual services. . . . .	317,858	318,757	291,629	27,128
Total sheriff. . . . .	<u>6,469,009</u>	<u>6,487,303</u>	<u>5,935,199</u>	<u>552,104</u>
Total public safety . . . . .	<u>8,704,816</u>	<u>8,729,434</u>	<u>7,986,512</u>	<u>742,922</u>
Public works				
Tax map				
Personal services . . . . .	80,465	80,693	73,825	6,868
Materials and supplies. . . . .	2,017	2,023	1,851	172
Total tax map. . . . .	<u>82,482</u>	<u>82,716</u>	<u>75,676</u>	<u>7,040</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Ditch maintenance				
Personal services . . . . .	\$ 39,422	\$ 39,534	\$ 36,169	\$ 3,365
Materials and supplies. . . . .	12,916	12,952	11,850	1,102
Contractual services. . . . .	71,841	72,044	65,913	6,131
Total ditch maintenance . . . . .	<u>124,179</u>	<u>124,530</u>	<u>113,932</u>	<u>10,598</u>
Total public works . . . . .	<u>206,661</u>	<u>207,246</u>	<u>189,608</u>	<u>17,638</u>
Health				
Humane agent				
Personal services . . . . .	5,151	5,166	4,726	440
Materials and supplies. . . . .	366	367	336	31
Contractual services. . . . .	70	70	64	6
Total humane agent . . . . .	<u>5,587</u>	<u>5,603</u>	<u>5,126</u>	<u>477</u>
Total health . . . . .	<u>5,587</u>	<u>5,603</u>	<u>5,126</u>	<u>477</u>
Human services				
Veterans services				
Personal services . . . . .	272,018	272,787	249,572	23,215
Materials and supplies. . . . .	265,830	266,582	243,894	22,688
Contractual services. . . . .	1,683	1,688	1,544	144
Total veterans services . . . . .	<u>539,531</u>	<u>541,057</u>	<u>495,010</u>	<u>46,047</u>
Total human services. . . . .	<u>539,531</u>	<u>541,057</u>	<u>495,010</u>	<u>46,047</u>
Conservation and recreation				
Other				
Personal services . . . . .	129,308	129,674	118,638	11,036
Total other . . . . .	<u>129,308</u>	<u>129,674</u>	<u>118,638</u>	<u>11,036</u>
Total conservation and recreation . . . . .	<u>129,308</u>	<u>129,674</u>	<u>118,638</u>	<u>11,036</u>
Capital outlay				
Capital improvements				
Capital outlay . . . . .	415,573	416,749	381,281	35,468
Total capital improvements. . . . .	<u>415,573</u>	<u>416,749</u>	<u>381,281</u>	<u>35,468</u>
Total capital outlay. . . . .	<u>415,573</u>	<u>416,749</u>	<u>381,281</u>	<u>35,468</u>
Total expenditures . . . . .	<u>24,529,157</u>	<u>24,598,528</u>	<u>22,505,060</u>	<u>2,093,468</u>
Excess (Deficiency ) of revenues over (under) expenditures . . . . .	<u>843,701</u>	<u>871,169</u>	<u>3,449,872</u>	<u>2,578,703</u>

(continued)

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	14,990	15,047	15,334	287
Transfers out. . . . .	(3,729,505)	(3,740,053)	(3,421,754)	318,299
Sale of capital assets. . . . .	27,228	27,332	27,853	521
Other financing sources . . . . .	21	21	21	-
Other financing uses . . . . .	(54)	(55)	(50)	5
Total other financing sources (uses) . . . . .	<u>(3,687,320)</u>	<u>(3,697,708)</u>	<u>(3,378,596)</u>	<u>319,112</u>
Net change in fund balance . . . . .	(2,843,619)	(2,826,539)	71,276	2,897,815
<b>Fund balance, January 1 (restated) . . . . .</b>	5,092,734	5,092,734	5,092,734	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,002,044</u>	<u>1,002,044</u>	<u>1,002,044</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 3,251,159</u>	<u>\$ 3,268,239</u>	<u>\$ 6,166,054</u>	<u>\$ 2,897,815</u>

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**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 MR/DD FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 4,181,219	\$ 4,598,386	\$ 5,197,418	\$ 599,032
Charges for services . . . . .	147,123	161,802	182,880	21,078
Intergovernmental . . . . .	1,709,447	1,880,002	2,124,910	244,908
Investment income . . . . .	600	660	746	86
Other . . . . .	121,912	134,076	151,542	17,466
Total revenues . . . . .	<u>6,160,301</u>	<u>6,774,926</u>	<u>7,657,496</u>	<u>882,570</u>
<b>Expenditures:</b>				
Current:				
Health				
Personal services . . . . .	4,726,505	4,958,839	4,529,904	428,935
Materials and supplies . . . . .	477,132	500,585	457,285	43,300
Contractual services . . . . .	2,302,415	2,415,592	2,206,645	208,947
Capital outlay . . . . .	193,385	202,891	185,341	17,550
Other . . . . .	1,493	1,567	1,431	136
Total expenditures . . . . .	<u>7,700,930</u>	<u>8,079,474</u>	<u>7,380,606</u>	<u>698,868</u>
Net change in fund balance . . . . .	(1,540,629)	(1,304,548)	276,890	1,581,438
<b>Fund balance, January 1 (restated) . . . . .</b>	673,015	673,015	673,015	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>659,721</u>	<u>659,721</u>	<u>659,721</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ (207,893)</u>	<u>\$ 28,188</u>	<u>\$ 1,609,626</u>	<u>\$ 1,581,438</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 PUBLIC ASSISTANCE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 1,067,911	\$ 1,120,093	\$ 906,815	\$ (213,278)
Intergovernmental . . . . .	6,301,800	6,609,729	5,351,164	(1,258,565)
Reimbursements . . . . .	2,910	3,052	2,471	(581)
Total revenues . . . . .	<u>7,372,621</u>	<u>7,732,874</u>	<u>6,260,450</u>	<u>(1,472,424)</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services . . . . .	4,342,695	4,472,602	4,209,127	263,475
Materials and supplies. . . . .	167,493	172,503	162,341	10,162
Contractual services. . . . .	4,313,980	4,443,027	4,181,295	261,732
Capital outlay . . . . .	89,764	92,449	87,003	5,446
Total expenditures . . . . .	<u>8,913,932</u>	<u>9,180,581</u>	<u>8,639,766</u>	<u>540,815</u>
Excess (Deficiency) of revenues over (under) expenditures . . . . .	<u>(1,541,311)</u>	<u>(1,447,707)</u>	<u>(2,379,316)</u>	<u>(931,609)</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>1,427,379</u>	<u>1,497,126</u>	<u>1,212,057</u>	<u>(285,069)</u>
Total other financing sources . . . . .	<u>1,427,379</u>	<u>1,497,126</u>	<u>1,212,057</u>	<u>(285,069)</u>
Net change in fund balance . . . . .	(113,932)	49,419	(1,167,259)	(1,216,678)
<b>Fund deficit, January 1 . . . . .</b>	(595,812)	(595,812)	(595,812)	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>654,990</u>	<u>654,990</u>	<u>654,990</u>	<u>-</u>
<b>Fund balance (deficit), December 31 . . . . .</b>	<u>\$ (54,754)</u>	<u>\$ 108,597</u>	<u>\$ (1,108,081)</u>	<u>\$ (1,216,678)</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 MOTOR VEHICLE LICENSE AND REGISTRATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 101,099	\$ 161,415	\$ 119,817	\$ (41,598)
Fines and forfeitures. . . . .	105,024	167,681	124,468	(43,213)
Intergovernmental . . . . .	4,709,750	7,519,591	5,581,732	(1,937,859)
Investment income . . . . .	125,078	199,700	148,236	(51,464)
Other . . . . .	606,438	968,239	718,716	(249,523)
Total revenues . . . . .	<u>5,647,389</u>	<u>9,016,626</u>	<u>6,692,969</u>	<u>(2,323,657)</u>
<b>Expenditures:</b>				
Current:				
Public works				
Personal services . . . . .	1,761,866	2,443,335	2,199,926	243,409
Materials and supplies. . . . .	752,782	1,043,949	939,949	104,000
Contractual services. . . . .	1,194,482	1,656,494	1,491,471	165,023
Capital outlay . . . . .	2,913,365	4,040,221	3,637,727	402,494
Total expenditures . . . . .	<u>6,622,495</u>	<u>9,183,999</u>	<u>8,269,073</u>	<u>914,926</u>
Deficiency of revenues under expenditures. . . . .	(975,106)	(167,373)	(1,576,104)	(1,408,731)
<b>Other financing sources:</b>				
Transfers in . . . . .	18,062	28,838	21,406	(7,432)
Other financing sources . . . . .	35,698	56,995	42,307	(14,688)
Total other financing sources . . . . .	<u>53,760</u>	<u>85,833</u>	<u>63,713</u>	<u>(22,120)</u>
Net change in fund balance . . . . .	(921,346)	(81,540)	(1,512,391)	(1,430,851)
<b>Fund balance, January 1. . . . .</b>	2,377,178	2,377,178	2,377,178	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>352,537</u>	<u>352,537</u>	<u>352,537</u>	<u>-</u>
<b>Fund balance, December 31. . . . .</b>	<u>\$ 1,808,369</u>	<u>\$ 2,648,175</u>	<u>\$ 1,217,324</u>	<u>\$ (1,430,851)</u>



**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 TIF PROJECTS FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 289,372	\$ 287,032	\$ 250,000	\$ (37,032)
Investment income . . . . .	140,459	139,323	121,348	(17,975)
Other . . . . .	252	250	218	(32)
Total revenues . . . . .	<u>430,083</u>	<u>426,605</u>	<u>371,566</u>	<u>(55,039)</u>
<b>Expenditures:</b>				
Current:				
Public Works				
Contractual services . . . . .	492,222	492,222	485,416	6,806
Capital outlay . . . . .	2,725,652	2,725,652	2,687,962	37,690
Debt Service:				
Principal retirement . . . . .	12,624,574	12,624,574	12,450,000	174,574
Interest and fiscal charges . . . . .	264,406	264,406	260,750	3,656
Total expenditures . . . . .	<u>16,106,854</u>	<u>16,106,854</u>	<u>15,884,128</u>	<u>222,726</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(15,676,771)</u>	<u>(15,680,249)</u>	<u>(15,512,562)</u>	<u>167,687</u>
<b>Other financing uses:</b>				
Proceeds from the sale of notes . . . . .	12,153,621	12,055,328	10,500,000	(1,555,328)
Premium on notes sold . . . . .	28,106	27,879	24,282	(3,597)
Other financing sources . . . . .	190	188	164	(24)
Total other financing sources . . . . .	<u>12,181,917</u>	<u>12,083,395</u>	<u>10,524,446</u>	<u>(1,558,949)</u>
Net change in fund balance . . . . .	(3,494,854)	(3,596,854)	(4,988,116)	(1,391,262)
<b>Fund balance, January 1 (restated) . . . . .</b>	3,912,215	3,912,215	3,912,215	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>2,145,004</u>	<u>2,145,004</u>	<u>2,145,004</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 2,562,365</u>	<u>\$ 2,460,365</u>	<u>\$ 1,069,103</u>	<u>\$ (1,391,262)</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SEWER FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 9,842,513	\$ 10,003,050	\$ 6,219,486	\$ (3,783,564)
Tap-In Fees. . . . .	773,896	786,519	489,025	(297,494)
Special assessments. . . . .	141,198	143,501	89,223	(54,278)
Other . . . . .	133,276	135,450	84,217	(51,233)
Total operating revenues . . . . .	<u>10,890,883</u>	<u>11,068,520</u>	<u>6,881,951</u>	<u>(4,186,569)</u>
<b>Operating expenses:</b>				
Personal services . . . . .	2,585,654	2,629,602	1,631,279	998,323
Materials and supplies . . . . .	547,125	556,424	345,179	211,245
Contractual services . . . . .	5,282,011	5,371,789	3,332,400	2,039,389
Capital outlay . . . . .	8,933,053	9,084,889	5,635,828	3,449,061
Total operating expenses . . . . .	<u>17,347,843</u>	<u>17,642,704</u>	<u>10,944,686</u>	<u>6,698,018</u>
Operating loss. . . . .	<u>(6,456,960)</u>	<u>(6,574,184)</u>	<u>(4,062,735)</u>	<u>2,511,449</u>
<b>Nonoperating revenues (expenses):</b>				
Proceeds of loans . . . . .	7,497,418	7,619,706	4,737,620	(2,882,086)
Principal retirement . . . . .	(1,516,248)	(1,542,020)	(956,595)	585,425
Interest and fiscal charges . . . . .	(1,386,812)	(1,410,383)	(874,934)	535,449
Total nonoperating revenues (expenses) . . . . .	<u>4,594,358</u>	<u>4,667,303</u>	<u>2,906,091</u>	<u>(1,761,212)</u>
Net loss before transfers . . . . .	<u>(1,862,602)</u>	<u>(1,906,881)</u>	<u>(1,156,644)</u>	<u>750,237</u>
Transfers in . . . . .	4,591	4,666	2,901	(1,765)
Transfers out . . . . .	(195,278)	(198,597)	(123,200)	75,397
Total transfers . . . . .	<u>(190,687)</u>	<u>(193,931)</u>	<u>(120,299)</u>	<u>73,632</u>
Net change in fund balance . . . . .	(2,053,289)	(2,100,812)	(1,276,943)	823,869
<b>Fund balance, January 1 . . . . .</b>	2,458,627	2,458,627	2,458,627	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,499,763</u>	<u>1,499,763</u>	<u>1,499,763</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 1,905,101</u>	<u>\$ 1,857,578</u>	<u>\$ 2,681,447</u>	<u>\$ 823,869</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 WATER FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 8,433,680	\$ 8,433,680	\$ 7,212,178	\$ (1,221,502)
Tap-in fees. . . . .	591,632	591,632	505,942	(85,690)
Other . . . . .	178,303	178,303	152,478	(25,825)
Total operating revenues . . . . .	<u>9,203,615</u>	<u>9,203,615</u>	<u>7,870,598</u>	<u>(1,333,017)</u>
<b>Operating expenses:</b>				
Personal services . . . . .	1,352,628	1,370,551	1,067,165	303,386
Materials and supplies . . . . .	827,873	838,843	653,156	185,687
Contractual services . . . . .	7,025,498	7,118,590	5,542,814	1,575,776
Capital outlay . . . . .	5,047,366	5,114,247	3,982,153	1,132,094
Total operating expenses . . . . .	<u>14,253,365</u>	<u>14,442,231</u>	<u>11,245,288</u>	<u>3,196,943</u>
Operating loss. . . . .	<u>(5,049,750)</u>	<u>(5,238,616)</u>	<u>(3,374,690)</u>	<u>1,863,926</u>
<b>Nonoperating revenues (expenses):</b>				
Proceeds of loans . . . . .	4,723,405	4,723,405	4,039,285	(684,120)
Principal retirement . . . . .	(1,094,042)	(1,108,539)	(863,152)	245,387
Interest and fiscal charges . . . . .	(1,668,844)	(1,690,958)	(1,316,646)	374,312
Intergovernmental revenue . . . . .	8,950	8,950	7,654	(1,296)
Total nonoperating revenues (expenses). . . . .	<u>1,969,469</u>	<u>1,932,858</u>	<u>1,867,141</u>	<u>(65,717)</u>
Net loss before transfers . . . . .	<u>(3,080,281)</u>	<u>(3,305,758)</u>	<u>(1,507,549)</u>	<u>1,798,209</u>
Transfers in . . . . .	56,030	56,030	47,915	(8,115)
Transfers out . . . . .	(30,552)	(30,957)	(24,104)	6,853
Total transfers . . . . .	<u>25,478</u>	<u>25,073</u>	<u>23,811</u>	<u>(1,262)</u>
Net change in fund balance . . . . .	<u>(3,054,803)</u>	<u>(3,280,685)</u>	<u>(1,483,738)</u>	<u>1,796,947</u>
<b>Fund balance (deficit), January 1 . . . . .</b>	<u>(4,948,887)</u>	<u>(4,948,887)</u>	<u>(4,948,887)</u>	<u>-</u>
<b>Prior year encumbrances appropriated . . . . .</b>	<u>7,035,794</u>	<u>7,035,794</u>	<u>7,035,794</u>	<u>-</u>
<b>Fund balance (deficit), December 31 . . . . .</b>	<u>\$ (967,896)</u>	<u>\$ (1,193,778)</u>	<u>\$ 603,169</u>	<u>\$ 1,796,947</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 LANDFILL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 2,283,572	\$ 2,283,572	\$ 3,904,258	\$ 1,620,686
Other . . . . .	120,095	120,095	205,329	85,234
Total operating revenues . . . . .	<u>2,403,667</u>	<u>2,403,667</u>	<u>4,109,587</u>	<u>1,705,920</u>
<b>Operating expenses:</b>				
Current:				
General government:				
Personal services . . . . .	1,023,990	1,031,424	813,532	217,892
Materials and supplies . . . . .	1,500,203	1,511,095	1,191,870	319,225
Contractual services . . . . .	2,651,418	2,670,667	2,106,478	564,189
Capital outlay. . . . .	7,421,364	7,475,240	5,896,066	1,579,174
Total operating expenses . . . . .	<u>12,596,975</u>	<u>12,688,426</u>	<u>10,007,946</u>	<u>2,680,480</u>
Operating loss . . . . .	<u>(10,193,308)</u>	<u>(10,284,759)</u>	<u>(5,898,359)</u>	<u>4,386,400</u>
<b>Nonoperating revenues (expenses):</b>				
Principal retirement . . . . .	(792,979)	(798,736)	(630,000)	168,736
Interest and fiscal charges . . . . .	(1,042,362)	(1,049,930)	(828,128)	221,802
Proceeds of notes . . . . .	2,924,464	2,924,464	5,000,000	2,075,536
Premium on notes sold. . . . .	5,907	5,907	10,100	4,193
Total nonoperating revenues (expenses) . . . . .	<u>1,095,030</u>	<u>1,081,705</u>	<u>3,551,972</u>	<u>2,470,267</u>
Net loss before transfers . . . . .	<u>(9,098,278)</u>	<u>(9,203,054)</u>	<u>(2,346,387)</u>	<u>6,856,667</u>
Transfers in . . . . .	182,642	182,642	312,266	129,624
Transfers out . . . . .	(455,535)	(458,842)	(361,910)	96,932
Total transfers . . . . .	<u>(272,893)</u>	<u>(276,200)</u>	<u>(49,644)</u>	<u>226,556</u>
Net change in fund balance . . . . .	<u>(9,371,171)</u>	<u>(9,479,254)</u>	<u>(2,396,031)</u>	<u>7,083,223</u>
<b>Fund balance, January 1 . . . . .</b>	<u>5,308,204</u>	<u>5,308,204</u>	<u>5,308,204</u>	<u>-</u>
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,699,053</u>	<u>1,699,053</u>	<u>1,699,053</u>	<u>-</u>
<b>Fund balance (deficit), December 31 . . . . .</b>	<u>\$ (2,363,914)</u>	<u>\$ (2,471,997)</u>	<u>\$ 4,611,226</u>	<u>\$ 7,083,223</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 CARE FACILITY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 8,201,110	\$ 8,201,110	\$ 8,346,646	\$ 145,536
Other . . . . .	58,963	58,963	60,009	1,046
Total operating revenues . . . . .	<u>8,260,073</u>	<u>8,260,073</u>	<u>8,406,655</u>	<u>146,582</u>
<b>Operating expenses:</b>				
Current:				
General government:				
Personal services . . . . .	6,929,865	7,013,416	6,865,120	148,296
Materials and supplies . . . . .	885,786	896,465	877,510	18,955
Contractual services . . . . .	986,749	998,646	977,530	21,116
Capital outlay. . . . .	71,926	72,793	71,254	1,539
Total operating expenses . . . . .	<u>8,874,326</u>	<u>8,981,320</u>	<u>8,791,414</u>	<u>189,906</u>
Operating loss . . . . .	<u>(614,253)</u>	<u>(721,247)</u>	<u>(384,759)</u>	<u>336,488</u>
<b>Nonoperating expenses:</b>				
Principal retirement . . . . .	(36,340)	(36,778)	(36,000)	778
Interest and fiscal charges . . . . .	(5,608)	(5,676)	(5,556)	(120)
Total nonoperating expenses . . . . .	<u>(41,948)</u>	<u>(42,454)</u>	<u>(41,556)</u>	<u>658</u>
Net change in fund balance . . . . .	(656,201)	(763,701)	(426,315)	337,146
<b>Fund balance, January 1 . . . . .</b>	789,299	789,299	789,299	-
<b>Prior year encumbrances appropriated . . . . .</b>	140,981	140,981	140,981	-
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 274,079</u>	<u>\$ 166,579</u>	<u>\$ 503,965</u>	<u>\$ 337,146</u>

**ERIE COUNTY, OHIO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FUND DESCRIPTIONS**

**Nonmajor Special Revenue Funds**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes. A description of the County's special revenue funds follows:

**Children Services Fund**

To account for various federal and state grants, as well as transfers from the general fund used to provide care and services to children.

**Child Support Enforcement Fund**

To account for state, federal and local revenue used to administer the County Bureau of Support.

**Certificate of Title Administration Fund**

To account for revenue derived from the issuing of motor vehicle titles and investment income. Expenditures are restricted to the administration of the state program.

**Dog and Kennel Fund**

To account for local revenues and expenditures relative to the licensing and protection of the canine population in Erie County, as well as to protect the general health of the residents.

**Real Estate Assessment Fund**

A fund used to account for state mandated county wide real estate appraisals that are funded by charges to the political subdivisions located within the County.

**Delinquent Real Estate Fund**

To account for the penalties collected by the treasurer for the purpose of assessing, collecting and foreclosing on delinquent real estate tax periods.

**Community Development Block Grant Fund**

To account for revenues received from federal grants and County matching funds made to various businesses and industries in the County for development and expansion.

**Community Rotary Fund**

To account for federal grant funds and County matching funds used to issue low interest loans to businesses and industries for the purpose of development and expansion.

**Court Computerization Fund**

To account for specific fees collected as court costs to be used to computerize the clerical processing of the courts.

**Youth Services Fund**

To account for the revenue received from the state for grant funds to be used for the care and custody of delinquent felons.

**Northern Ohio Juvenile Corrections Fund**

To account for revenue received which is to be used for operations of the DYS Rehabilitation Center.

**Probate Court Fund**

To account for specific fees collected as court costs to be used to computerize the Probate Court.

**County Court Fund**

To account for specific fees collected as court costs to be used for improvements to the County courthouse.

**Public Defender Fund**

To account for state and local funds used to provide legal counsel to indigent clients.

**Sheriff Special Account Fund**

To account for federal money used to assist in crime prevention.

**Drug Task Force Fund**

To account for funds collected from fines and forfeitures to be used exclusively for the enforcement of state and federal laws governing the use and/or sale of illegal drugs within the County.

**ERIE COUNTY, OHIO**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FUND DESCRIPTIONS**

**Nonmajor Special Revenue Funds**

**Adult Probation Fund**

To account for grant monies to be used to aid felons as an alternative to incarceration.

**Emergency Management Fund**

To account for the emergency management agency.

**Crime Victim Assistance Fund**

To account for federal and state grants, as well as transfers from the general fund used to provide public assistance to victims of crimes as well as pay their providers of medical assistance.

**Lodging Excise Tax Fund**

To account for local bed taxes applied to transient guests who stay in Erie County, and to provide tourism promotion.

**Senior Citizen Levy Fund**

To account for the senior citizens levy.

**Treasurer's Prepaid Interest Fund**

To account for interest earned on prepaid property taxes.

**Solid Waste District Fund**

To account for fees collected for the purpose of disposing or recycling of solid waste generated county wide under the authority of the Solid Waste District Board.

**HAVA Federal Elections Fund**

To account for funds to upgrade the Voter Registration System mandated by the State of Ohio for the Board of Elections, financed by a grant issued from the State.

**Nonmajor Debt Service Funds**

The debt service funds are used to account for the accumulation of resources and payments of general obligation bond principal and interest from government resources, and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

**General Obligation Bond Retirement Fund**

To account for debt service payments related to the County's general obligation debt.

**Special Assessment Bond Retirement Fund**

To account for debt service payments related to the County's special assessment debt with governmental commitment.

**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 and trust funds.

**Building Construction Fund**

To account for the construction of major County facilities.

**Drainage Improvement Fund**

To account for ditch improvements.

**ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2005

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 7,491,767	\$ 383,975	\$ 1,267,937	\$ 9,143,679
Receivables (net of allowances of uncollectibles):				
Real estate and other taxes. . . . .	870,273	-	-	870,273
Sales taxes . . . . .	184,788	-	-	184,788
Accounts. . . . .	78,308	-	-	78,308
Special assessments . . . . .	-	221,210	-	221,210
Loans receivable . . . . .	185,526	-	-	185,526
Accrued interest . . . . .	70	-	-	70
Due from other governments. . . . .	203,043	-	-	203,043
Due from other funds. . . . .	19,620	-	-	19,620
Total assets . . . . .	<u>\$ 9,033,395</u>	<u>\$ 605,185</u>	<u>\$ 1,267,937</u>	<u>\$ 10,906,517</u>
<b>Liabilities:</b>				
Accounts payable . . . . .	\$ 371,317	\$ -	\$ 7,583	\$ 378,900
Contracts payable . . . . .	23,500	-	39,639	63,139
Accrued wages and benefits . . . . .	126,186	-	-	126,186
Retainage payable . . . . .	171,527	-	-	171,527
Pension benefit obligation payable. . . . .	12,210	-	-	12,210
Loans from other funds . . . . .	6,401	-	-	6,401
Due to other funds . . . . .	130,714	-	-	130,714
Due to other governments . . . . .	26,855	-	-	26,855
Deferred revenue . . . . .	1,026,561	221,210	-	1,247,771
Total liabilities . . . . .	<u>1,895,271</u>	<u>221,210</u>	<u>47,222</u>	<u>2,163,703</u>
<b>Fund Balances:</b>				
Reserved for encumbrances. . . . .	380,774	-	609,349	990,123
Reserved for debt service . . . . .	-	383,975	-	383,975
Reserved for loans . . . . .	185,526	-	-	185,526
Unreserved, undesignated, reported in:				
Special revenue funds . . . . .	6,571,824	-	-	6,571,824
Capital projects funds . . . . .	-	-	611,366	611,366
Total fund balances. . . . .	<u>7,138,124</u>	<u>383,975</u>	<u>1,220,715</u>	<u>8,742,814</u>
Total liabilities and fund balances . . . . .	<u>\$ 9,033,395</u>	<u>\$ 605,185</u>	<u>\$ 1,267,937</u>	<u>\$ 10,906,517</u>



**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>				
Property taxes . . . . .	\$ 842,130	\$ -	\$ -	\$ 842,130
Sales taxes . . . . .	1,809,943	-	-	1,809,943
Charges for services . . . . .	2,294,645	-	790	2,295,435
Licenses and permits . . . . .	336	-	-	336
Fines and forfeitures . . . . .	27,376	-	-	27,376
Intergovernmental . . . . .	5,842,466	-	-	5,842,466
Special assessments . . . . .	-	510,969	-	510,969
Investment income . . . . .	64,870	-	-	64,870
Reimbursements . . . . .	130,528	-	-	130,528
Other . . . . .	212,478	285,371	-	497,849
Total revenues . . . . .	<u>11,224,772</u>	<u>796,340</u>	<u>790</u>	<u>12,021,902</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	2,713,250	-	-	2,713,250
Judicial . . . . .	136,838	-	-	136,838
Public safety. . . . .	3,759,765	-	-	3,759,765
Health . . . . .	626,497	-	-	626,497
Human services . . . . .	4,684,249	-	-	4,684,249
Economic development and assistance . . . . .	5,211,304	-	-	5,211,304
Capital outlay. . . . .	-	-	597,339	597,339
Other . . . . .	-	615	-	615
Debt service:				
Principal retirement . . . . .	-	1,038,699	1,000,000	2,038,699
Interest and fiscal charges. . . . .	-	476,256	19,944	496,200
Total expenditures . . . . .	<u>17,131,903</u>	<u>1,515,570</u>	<u>1,617,283</u>	<u>20,264,756</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(5,907,131)</u>	<u>(719,230)</u>	<u>(1,616,493)</u>	<u>(8,242,854)</u>
<b>Other financing sources (uses):</b>				
Premium on issuance of notes. . . . .	-	-	3,205	3,205
Proceeds from sale of notes . . . . .	2,350,000	-	2,270,000	4,620,000
Transfers in . . . . .	2,166,855	1,018,703	-	3,185,558
Transfers out . . . . .	(894,312)	(199,167)	-	(1,093,479)
Total other financing sources (uses) . . . . .	<u>3,622,543</u>	<u>819,536</u>	<u>2,273,205</u>	<u>6,715,284</u>
Net change in fund balances. . . . .	(2,284,588)	100,306	656,712	(1,527,570)
<b>Fund balances at beginning of year (restated) .</b>	<u>9,422,712</u>	<u>283,669</u>	<u>564,003</u>	<u>10,270,384</u>
<b>Fund balances at end of year. . . . .</b>	<u>\$ 7,138,124</u>	<u>\$ 383,975</u>	<u>\$ 1,220,715</u>	<u>\$ 8,742,814</u>

**ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2005

	<u>Children Services</u>	<u>Child Support Enforcement</u>	<u>Certificate of Title Administration</u>	<u>Dog and Kennel</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 446,319	\$ 293,804	\$ 163,031	\$ 151,815
Receivables (net of allowances of uncollectibles):				
Real estate and other taxes. . . . .	-	-	-	-
Sales taxes. . . . .	-	-	-	-
Accounts. . . . .	-	21,011	21,395	1,140
Loans receivable. . . . .	-	-	-	-
Accrued interest. . . . .	-	-	70	-
Due from other governments. . . . .	32,499	-	-	-
Due from other funds. . . . .	-	-	-	-
Total assets. . . . .	<u>\$ 478,818</u>	<u>\$ 314,815</u>	<u>\$ 184,496</u>	<u>\$ 152,955</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 162,435	\$ 1,927	\$ -	\$ 1,481
Contracts payable. . . . .	-	-	-	-
Accrued wages and benefits. . . . .	-	42,693	4,143	3,005
Retainage payable. . . . .	-	-	-	-
Pension benefit obligation payable. . . . .	-	4,623	451	330
Loans from other funds. . . . .	-	-	-	-
Due to other funds. . . . .	-	111,492	-	370
Due to other governments. . . . .	1,000	-	-	-
Deferred revenue. . . . .	-	-	-	-
Total liabilities. . . . .	<u>163,435</u>	<u>160,735</u>	<u>4,594</u>	<u>5,186</u>
<b>Fund Balances:</b>				
Reserved for encumbrances. . . . .	60,833	22,196	6,012	1,048
Reserved for loans. . . . .	-	-	-	-
Unreserved, undesignated, (deficit), reported in:				
Special revenue funds. . . . .	<u>254,550</u>	<u>131,884</u>	<u>173,890</u>	<u>146,721</u>
Total fund balances (deficits). . . . .	<u>315,383</u>	<u>154,080</u>	<u>179,902</u>	<u>147,769</u>
Total liabilities and fund balances. . . . .	<u>\$ 478,818</u>	<u>\$ 314,815</u>	<u>\$ 184,496</u>	<u>\$ 152,955</u>

<u>Real Estate Assessment</u>	<u>Delinquent Real Estate</u>	<u>Community Development Block Grant</u>	<u>Community Rotary</u>	<u>Court Computerization</u>	<u>Youth Services</u>	<u>Northern Ohio Juvenile Corrections</u>
\$ 197,412	\$ 292,087	\$ 484,374	\$ 78,386	\$ 116,467	\$ 1,678,118	\$ 404,968
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	2,479	200	4,464
-	-	185,526	-	-	-	-
-	-	-	-	-	-	-
-	-	97,600	-	-	-	-
1,300	-	-	-	-	-	-
<u>\$ 198,712</u>	<u>\$ 292,087</u>	<u>\$ 767,500</u>	<u>\$ 78,386</u>	<u>\$ 118,946</u>	<u>\$ 1,678,318</u>	<u>\$ 409,432</u>
\$ 4,584	\$ -	\$ 3,373	\$ 2,114	\$ -	\$ 5,141	\$ 5,946
-	-	23,500	-	-	-	-
9,101	2,323	-	-	394	12,223	30,890
-	-	171,527	-	-	-	-
766	249	-	-	46	795	2,580
-	-	6,401	-	-	-	-
-	-	-	-	-	-	9,499
-	-	-	-	-	12,732	3,424
-	-	97,600	-	-	-	-
<u>14,451</u>	<u>2,572</u>	<u>302,401</u>	<u>2,114</u>	<u>440</u>	<u>30,891</u>	<u>52,339</u>
130,104	-	-	5,490	-	88,647	27,665
-	-	185,526	-	-	-	-
<u>54,157</u>	<u>289,515</u>	<u>279,573</u>	<u>70,782</u>	<u>118,506</u>	<u>1,558,780</u>	<u>329,428</u>
<u>184,261</u>	<u>289,515</u>	<u>465,099</u>	<u>76,272</u>	<u>118,506</u>	<u>1,647,427</u>	<u>357,093</u>
<u>\$ 198,712</u>	<u>\$ 292,087</u>	<u>\$ 767,500</u>	<u>\$ 78,386</u>	<u>\$ 118,946</u>	<u>\$ 1,678,318</u>	<u>\$ 409,432</u>

(continued)

**ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2005

	<u>Probate Court</u>	<u>County Court</u>	<u>Public Defender</u>	<u>Sheriff Special Account</u>
<b>Assets:</b>				
Equity in pooled cash and cash equivalents. . . . .	\$ 19,199	\$ 1,304,647	\$ 34,493	\$ 53,682
Receivables (net of allowances of uncollectibles):				
Real estate and other taxes. . . . .	-	-	-	-
Sales taxes. . . . .	-	-	-	-
Accounts. . . . .	4,430	19,861	-	971
Loans receivable. . . . .	-	-	-	-
Accrued interest. . . . .	-	-	-	-
Due from other governments. . . . .	-	-	-	20,160
Due from other funds. . . . .	-	-	-	-
Total assets. . . . .	<u>\$ 23,629</u>	<u>\$ 1,324,508</u>	<u>\$ 34,493</u>	<u>\$ 74,813</u>
<b>Liabilities:</b>				
Accounts payable. . . . .	\$ 6,756	\$ -	\$ 18,910	\$ -
Contracts payable. . . . .	-	-	-	-
Accrued wages and benefits. . . . .	-	-	6,783	2,667
Retainage payable. . . . .	-	-	-	-
Pension benefit obligation payable. . . . .	-	-	735	255
Loans from other funds. . . . .	-	-	-	-
Due to other funds. . . . .	-	-	254	-
Due to other governments. . . . .	-	-	-	-
Deferred revenue. . . . .	-	-	-	7,500
Total liabilities. . . . .	<u>6,756</u>	<u>-</u>	<u>26,682</u>	<u>10,422</u>
<b>Fund Balances:</b>				
Reserved for encumbrances. . . . .	1,222	16,930	293	5,985
Reserved for loans. . . . .	-	-	-	-
Unreserved, undesignated, (deficit), reported in:				
Special revenue funds. . . . .	<u>15,651</u>	<u>1,307,578</u>	<u>7,518</u>	<u>58,406</u>
Total fund balances (deficits). . . . .	<u>16,873</u>	<u>1,324,508</u>	<u>7,811</u>	<u>64,391</u>
Total liabilities and fund balances. . . . .	<u>\$ 23,629</u>	<u>\$ 1,324,508</u>	<u>\$ 34,493</u>	<u>\$ 74,813</u>

<b>Drug Task Force</b>	<b>Adult Probation</b>	<b>Emergency Management</b>	<b>Crime Victim Assistance</b>	<b>Lodging Excise Tax</b>	<b>Senior Citizens Levy</b>	<b>Treasurer's Prepaid Interest</b>
\$ 59,750	\$ 34,305	\$ 280,283	\$ 54,120	\$ 1,195,565	\$ 9,766	\$ 84,434
-	-	-	-	-	870,273	-
-	-	-	-	184,788	-	-
1,100	-	1,225	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	16,102	-	36,682	-
-	-	-	-	-	-	-
<u>\$ 60,850</u>	<u>\$ 34,305</u>	<u>\$ 281,508</u>	<u>\$ 70,222</u>	<u>\$ 1,380,353</u>	<u>\$ 916,721</u>	<u>\$ 84,434</u>
\$ -	\$ -	\$ 131,657	\$ 1,894	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
2,194	2,229	1,883	2,625	-	-	615
-	-	-	-	-	-	-
290	242	204	302	-	-	62
-	-	-	-	-	-	-
-	-	328	-	8,771	-	-
9,699	-	-	-	-	-	-
-	-	-	14,506	-	906,955	-
<u>12,183</u>	<u>2,471</u>	<u>134,072</u>	<u>19,327</u>	<u>8,771</u>	<u>906,955</u>	<u>677</u>
-	-	3,089	2,762	-	-	-
-	-	-	-	-	-	-
<u>48,667</u>	<u>31,834</u>	<u>144,347</u>	<u>48,133</u>	<u>1,371,582</u>	<u>9,766</u>	<u>83,757</u>
<u>48,667</u>	<u>31,834</u>	<u>147,436</u>	<u>50,895</u>	<u>1,371,582</u>	<u>9,766</u>	<u>83,757</u>
<u>\$ 60,850</u>	<u>\$ 34,305</u>	<u>\$ 281,508</u>	<u>\$ 70,222</u>	<u>\$ 1,380,353</u>	<u>\$ 916,721</u>	<u>\$ 84,434</u>

(continued)

**ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2005

	<u>Solid Waste District</u>	<u>HAVA Federal Elections</u>	<u>Total</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 35,307	\$ 19,435	\$ 7,491,767
Receivables (net of allowances of uncollectibles):			
Real estate and other taxes. . . . .	-	-	870,273
Sales taxes . . . . .	-	-	184,788
Accounts. . . . .	32	-	78,308
Loans receivable. . . . .	-	-	185,526
Accrued interest . . . . .	-	-	70
Due from other governments . . . . .	-	-	203,043
Due from other funds . . . . .	18,320	-	19,620
	<hr/>	<hr/>	<hr/>
Total assets. . . . .	<u>\$ 53,659</u>	<u>\$ 19,435</u>	<u>\$ 9,033,395</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 25,099	\$ -	\$ 371,317
Contracts payable. . . . .	-	-	23,500
Accrued wages and benefits . . . . .	2,418	-	126,186
Retainage payable . . . . .	-	-	171,527
Pension benefit obligation payable. . . . .	280	-	12,210
Loans from other funds. . . . .	-	-	6,401
Due to other funds . . . . .	-	-	130,714
Due to other governments . . . . .	-	-	26,855
Deferred revenue. . . . .	-	-	1,026,561
	<hr/>	<hr/>	<hr/>
Total liabilities. . . . .	<u>27,797</u>	<u>-</u>	<u>1,895,271</u>
<b>Fund Balances:</b>			
Reserved for encumbrances. . . . .	8,498	-	380,774
Reserved for loans . . . . .	-	-	185,526
Unreserved, undesignated, (deficit), reported in:			
Special revenue funds . . . . .	17,364	19,435	6,571,824
	<hr/>	<hr/>	<hr/>
Total fund balances (deficits) . . . . .	<u>25,862</u>	<u>19,435</u>	<u>7,138,124</u>
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Total liabilities and fund balances . . . . .	<u>\$ 53,659</u>	<u>\$ 19,435</u>	<u>\$ 9,033,395</u>

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**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Children Services</u>	<u>Child Support Enforcement</u>	<u>Certificate of Title Administration</u>	<u>Dog and Kennel</u>
<b>Revenues:</b>				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Sales taxes . . . . .	-	-	-	-
Charges for services . . . . .	-	340,124	286,589	81,637
Licenses and permits . . . . .	-	-	-	336
Fines and forfeitures . . . . .	-	-	-	5,751
Intergovernmental . . . . .	1,239,650	1,353,000	-	-
Investment income . . . . .	-	-	1,856	-
Reimbursements . . . . .	79,407	766	-	151
Other . . . . .	-	38,409	77	1,562
<b>Total revenues . . . . .</b>	<u>1,319,057</u>	<u>1,732,299</u>	<u>288,522</u>	<u>89,437</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	-	-	240,498	-
Judicial . . . . .	-	-	-	-
Public safety . . . . .	-	-	-	-
Health . . . . .	-	-	-	207,344
Human services . . . . .	1,849,352	1,968,584	-	-
Economic development and assistance . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<u>1,849,352</u>	<u>1,968,584</u>	<u>240,498</u>	<u>207,344</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(530,295)</u>	<u>(236,285)</u>	<u>48,024</u>	<u>(117,907)</u>
<b>Other financing sources (uses):</b>				
Proceeds from sale of notes . . . . .	-	-	-	-
Transfers in . . . . .	1,465,000	-	-	-
Transfers out . . . . .	(850,000)	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<u>615,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances. . . . .	84,705	(236,285)	48,024	(117,907)
<b>Fund balances (deficits) at beginning of year (restated) . . . . .</b>	<u>230,678</u>	<u>390,365</u>	<u>131,878</u>	<u>265,676</u>
<b>Fund balances (deficits) at end of year. . . . .</b>	<u>\$ 315,383</u>	<u>\$ 154,080</u>	<u>\$ 179,902</u>	<u>\$ 147,769</u>



<b>Real Estate Assessment</b>	<b>Delinquent Real Estate</b>	<b>Community Development Block Grant</b>	<b>Community Rotary</b>	<b>Court Computerization</b>	<b>Youth Services</b>	<b>Northern Ohio Juvenile Corrections</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
865,087	4,305	-	12,250	69,817	-	-
-	-	-	-	-	-	-
-	-	-	-	457	1,596	-
-	174,905	356,346	-	-	681,391	702,650
-	-	6,391	-	-	-	-
50,204	-	-	-	-	-	-
-	687	90,161	8,434	-	3,255	21,509
<u>915,291</u>	<u>179,897</u>	<u>452,898</u>	<u>20,684</u>	<u>70,274</u>	<u>686,242</u>	<u>724,159</u>
1,151,481	146,168	-	-	-	-	-
-	-	-	-	99,533	-	-
-	-	-	-	-	737,068	877,123
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	754,777	6,527	-	-	-
<u>1,151,481</u>	<u>146,168</u>	<u>754,777</u>	<u>6,527</u>	<u>99,533</u>	<u>737,068</u>	<u>877,123</u>
(236,190)	33,729	(301,879)	14,157	(29,259)	(50,826)	(152,964)
-	-	-	-	-	-	-
-	-	65	-	17,249	-	-
-	-	-	-	-	-	-
-	-	65	-	17,249	-	-
(236,190)	33,729	(301,814)	14,157	(12,010)	(50,826)	(152,964)
420,451	255,786	766,913	62,115	130,516	1,698,253	510,057
<u>\$ 184,261</u>	<u>\$ 289,515</u>	<u>\$ 465,099</u>	<u>\$ 76,272</u>	<u>\$ 118,506</u>	<u>\$ 1,647,427</u>	<u>\$ 357,093</u>

(continued)

**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Probate Court</b>	<b>County Court</b>	<b>Public Defender</b>	<b>Sheriff Special Account</b>
<b>Revenues:</b>				
Property taxes . . . . .	\$ -	\$ -	\$ -	\$ -
Sales taxes . . . . .	-	-	-	-
Charges for services . . . . .	36,668	231,642	-	9,135
Licenses and permits . . . . .	-	-	-	-
Fines and forfeitures . . . . .	550	7,658	-	4,515
Intergovernmental . . . . .	-	2,479	-	53,172
Investment income . . . . .	-	-	-	-
Reimbursements . . . . .	-	-	-	-
Other . . . . .	-	-	3,979	2,715
<b>Total revenues . . . . .</b>	<b>37,218</b>	<b>241,779</b>	<b>3,979</b>	<b>69,537</b>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive . . . . .	-	-	-	-
Judicial . . . . .	35,411	1,894	-	-
Public safety . . . . .	-	-	613,530	110,623
Health . . . . .	-	-	-	-
Human services . . . . .	-	-	-	-
Economic development and assistance . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>35,411</b>	<b>1,894</b>	<b>613,530</b>	<b>110,623</b>
Excess (deficiency) of revenues over (under) expenditures. . . . .	1,807	239,885	(609,551)	(41,086)
<b>Other financing sources (uses):</b>				
Proceeds from sale of notes . . . . .	-	-	-	-
Transfers in . . . . .	-	-	635,000	-
Transfers out . . . . .	-	-	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>-</b>	<b>-</b>	<b>635,000</b>	<b>-</b>
Net change in fund balances. . . . .	1,807	239,885	25,449	(41,086)
<b>Fund balances (deficits) at beginning of year (restated) . . . . .</b>	<b>15,066</b>	<b>1,084,623</b>	<b>(17,638)</b>	<b>105,477</b>
<b>Fund balances (deficits) at end of year. . . . .</b>	<b>\$ 16,873</b>	<b>\$ 1,324,508</b>	<b>\$ 7,811</b>	<b>\$ 64,391</b>

<b>Drug Task Force</b>	<b>Adult Probation</b>	<b>Emergency Management</b>	<b>Crime Victim Assistance</b>	<b>Lodging Excise Tax</b>	<b>Senior Citizens Levy</b>	<b>Treasurer's Prepaid Interest</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 842,130	\$ -
-	-	-	-	1,809,943	-	-
-	8,659	15,382	-	-	-	-
-	-	-	-	-	-	-
6,849	-	-	-	-	-	-
147,982	123,321	862,560	117,103	-	-	-
-	-	-	-	-	-	56,623
-	-	-	-	-	-	-
9,632	27	11,037	19,665	-	-	22
<u>164,463</u>	<u>132,007</u>	<u>888,979</u>	<u>136,768</u>	<u>1,809,943</u>	<u>842,130</u>	<u>56,645</u>
-	-	-	152,436	946,426	-	76,241
-	-	-	-	-	-	-
200,652	187,874	1,032,895	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	866,313	-
-	-	-	-	4,450,000	-	-
<u>200,652</u>	<u>187,874</u>	<u>1,032,895</u>	<u>152,436</u>	<u>5,396,426</u>	<u>866,313</u>	<u>76,241</u>
<u>(36,189)</u>	<u>(55,867)</u>	<u>(143,916)</u>	<u>(15,668)</u>	<u>(3,586,483)</u>	<u>(24,183)</u>	<u>(19,596)</u>
-	-	-	-	2,350,000	-	-
-	-	43,141	-	-	-	-
-	-	(44,312)	-	-	-	-
-	-	(1,171)	-	2,350,000	-	-
(36,189)	(55,867)	(145,087)	(15,668)	(1,236,483)	(24,183)	(19,596)
<u>84,856</u>	<u>87,701</u>	<u>292,523</u>	<u>66,563</u>	<u>2,608,065</u>	<u>33,949</u>	<u>103,353</u>
<u>\$ 48,667</u>	<u>\$ 31,834</u>	<u>\$ 147,436</u>	<u>\$ 50,895</u>	<u>\$ 1,371,582</u>	<u>\$ 9,766</u>	<u>\$ 83,757</u>

(continued)

**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Solid Waste District</u>	<u>HAVA Federal Elections</u>	<u>Total</u>
<b>Revenues:</b>			
Property taxes . . . . .	\$ -	\$ -	\$ 842,130
Sales taxes . . . . .	-	-	1,809,943
Charges for services . . . . .	333,350	-	2,294,645
Licenses and permits . . . . .	-	-	336
Fines and forfeitures . . . . .	-	-	27,376
Intergovernmental . . . . .	8,473	19,434	5,842,466
Investment income . . . . .	-	-	64,870
Reimbursements . . . . .	-	-	130,528
Other . . . . .	1,307	-	212,478
Total revenues . . . . .	<u>343,130</u>	<u>19,434</u>	<u>11,224,772</u>
<b>Expenditures:</b>			
Current:			
General government:			
Legislative and executive . . . . .	-	-	2,713,250
Judicial . . . . .	-	-	136,838
Public safety . . . . .	-	-	3,759,765
Health . . . . .	419,153	-	626,497
Human services . . . . .	-	-	4,684,249
Economic development and assistance . . . . .	-	-	5,211,304
Total expenditures . . . . .	<u>419,153</u>	<u>-</u>	<u>17,131,903</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(76,023)</u>	<u>19,434</u>	<u>(5,907,131)</u>
<b>Other financing sources (uses):</b>			
Proceeds from sale of notes . . . . .	-	-	2,350,000
Transfers in . . . . .	6,400	-	2,166,855
Transfers out . . . . .	-	-	(894,312)
Total other financing sources (uses) . . . . .	<u>6,400</u>	<u>-</u>	<u>3,622,543</u>
Net change in fund balances. . . . .	(69,623)	19,434	(2,284,588)
<b>Fund balances (deficits) at beginning of year (restated) . . . . .</b>	<u>95,485</u>	<u>1</u>	<u>9,422,712</u>
<b>Fund balances (deficits) at end of year. . . . .</b>	<u>\$ 25,862</u>	<u>\$ 19,435</u>	<u>\$ 7,138,124</u>

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**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 CHILDREN SERVICES FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 1,722,626	\$ 1,722,626	\$ 1,444,025	\$ (278,601)
Reimbursements . . . . .	94,727	94,727	79,407	(15,320)
Total revenues . . . . .	<u>1,817,353</u>	<u>1,817,353</u>	<u>1,523,432</u>	<u>(293,921)</u>
<b>Expenditures:</b>				
Current:				
Human services				
Materials and supplies . . . . .	16,307	16,307	13,673	2,634
Contractual services. . . . .	2,759,696	2,759,696	2,314,004	445,692
Total expenditures . . . . .	<u>2,776,003</u>	<u>2,776,003</u>	<u>2,327,677</u>	<u>448,326</u>
Deficiency of revenues under expenditures . . . . .	<u>(958,650)</u>	<u>(958,650)</u>	<u>(804,245)</u>	<u>154,405</u>
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	1,747,647	1,747,647	1,465,000	(282,647)
Transfers out. . . . .	<u>(1,013,716)</u>	<u>(1,013,716)</u>	<u>(850,000)</u>	<u>(163,716)</u>
Total other financing sources (uses) . . . . .	<u>733,931</u>	<u>733,931</u>	<u>615,000</u>	<u>(446,363)</u>
Net change in fund balance . . . . .	(224,719)	(224,719)	(189,245)	(291,958)
<b>Fund balance, January 1. . . . .</b>	76,577	76,577	76,577	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>334,719</u>	<u>334,719</u>	<u>334,719</u>	<u>-</u>
<b>Fund balance, December 31. . . . .</b>	<u>\$ 186,577</u>	<u>\$ 186,577</u>	<u>\$ 222,051</u>	<u>\$ (291,958)</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 CHILD SUPPORT ENFORCEMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 404,210	\$ 404,210	\$ 380,727	\$ (23,483)
Intergovernmental . . . . .	1,436,451	1,436,451	1,353,000	(83,451)
Reimbursements . . . . .	813	813	766	(47)
Total revenues . . . . .	<u>1,841,474</u>	<u>1,841,474</u>	<u>1,734,493</u>	<u>(106,981)</u>
<b>Expenditures:</b>				
Current:				
Human services				
Personal services . . . . .	1,339,361	1,342,627	1,324,322	18,305
Materials and supplies. . . . .	8,410	8,431	8,316	115
Contractual services. . . . .	702,392	704,105	694,506	9,599
Total expenditures . . . . .	<u>2,050,163</u>	<u>2,055,163</u>	<u>2,027,144</u>	<u>28,019</u>
Deficiency of revenues under expenditures . . . . .	<u>(208,689)</u>	<u>(213,689)</u>	<u>(292,651)</u>	<u>(78,962)</u>
<b>Other financing sources:</b>				
Other financing sources . . . . .	43,526	43,526	40,997	2,529
Total other financing sources . . . . .	<u>43,526</u>	<u>43,526</u>	<u>40,997</u>	<u>2,529</u>
Net change in fund balance . . . . .	(165,163)	(170,163)	(251,654)	(76,433)
<b>Fund balance, January 1 . . . . .</b>	242,281	242,281	242,281	-
<b>Prior year encumbrances appropriated . . . . .</b>	167,562	167,562	167,562	-
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 244,680</u>	<u>\$ 239,680</u>	<u>\$ 158,189</u>	<u>\$ (76,433)</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 CERTIFICATE OF TITLE ADMINISTRATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 307,897	\$ 307,897	\$ 283,714	\$ (24,183)
Investment income . . . . .	2,019	2,019	1,860	(159)
Other . . . . .	84	84	77	(7)
Total revenues . . . . .	<u>310,000</u>	<u>310,000</u>	<u>285,651</u>	<u>(24,349)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive				
Personal services . . . . .	300,421	300,421	235,859	64,562
Materials and supplies. . . . .	9,925	9,925	7,792	2,133
Contractual services. . . . .	5,471	5,471	4,295	1,176
Total expenditures . . . . .	<u>315,817</u>	<u>315,817</u>	<u>247,946</u>	<u>67,871</u>
Net change in fund balance . . . . .	(5,817)	(5,817)	37,705	43,522
<b>Fund balance, January 1. . . . .</b>	118,327	118,327	118,327	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>1,020</u>	<u>1,020</u>	<u>1,020</u>	<u>-</u>
<b>Fund balance, December 31. . . . .</b>	<u>\$ 113,530</u>	<u>\$ 113,530</u>	<u>\$ 157,052</u>	<u>\$ 43,522</u>



**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 DOG AND KENNEL FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 238,156	\$ 238,156	\$ 249,513	\$ 11,357
Fines and forfeitures . . . . .	5,190	5,190	5,437	247
Reimbursements . . . . .	144	144	151	7
Other . . . . .	1,510	1,510	1,582	72
<b>Total revenues . . . . .</b>	<b>245,000</b>	<b>245,000</b>	<b>256,683</b>	<b>11,683</b>
<b>Expenditures:</b>				
Current:				
Health				
Personal services . . . . .	176,262	176,262	170,330	5,932
Materials and supplies . . . . .	18,866	18,866	18,231	635
Contractual services . . . . .	21,721	21,721	20,990	731
<b>Total expenditures . . . . .</b>	<b>216,849</b>	<b>216,849</b>	<b>209,551</b>	<b>7,298</b>
Net change in fund balance . . . . .	28,151	28,151	47,132	18,981
<b>Fund balance, January 1 . . . . .</b>	<b>100,328</b>	<b>100,328</b>	<b>100,328</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>1,456</b>	<b>1,456</b>	<b>1,456</b>	<b>-</b>
<b>Fund balance, December 31 . . . . .</b>	<b>\$ 129,935</b>	<b>\$ 129,935</b>	<b>\$ 148,916</b>	<b>\$ 18,981</b>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 REAL ESTATE ASSESSMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 862,256	\$ 862,256	\$ 865,087	\$ 2,831
Reimbursements . . . . .	48,744	48,744	48,904	160
Total revenues . . . . .	<u>911,000</u>	<u>911,000</u>	<u>913,991</u>	<u>2,991</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive				
Personal services . . . . .	422,072	422,072	404,665	17,407
Materials and supplies. . . . .	52,923	52,923	50,740	2,183
Contractual services. . . . .	865,953	865,953	830,240	35,713
Capital outlay . . . . .	2,719	2,719	2,607	112
Total expenditures . . . . .	<u>1,343,667</u>	<u>1,343,667</u>	<u>1,288,252</u>	<u>55,415</u>
Net change in fund balance . . . . .	(432,667)	(432,667)	(374,261)	58,406
<b>Fund balance, January 1. . . . .</b>	85,614	85,614	85,614	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>351,371</u>	<u>351,371</u>	<u>351,371</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 4,318</u>	<u>\$ 4,318</u>	<u>\$ 62,724</u>	<u>\$ 58,406</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 DELINQUENT REAL ESTATE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 4,082	\$ 4,082	\$ 4,305	\$ 223
Intergovernmental . . . . .	165,840	165,840	174,905	9,065
Other . . . . .	1,078	1,078	1,137	59
<b>Total revenues . . . . .</b>	<b>171,000</b>	<b>171,000</b>	<b>180,347</b>	<b>9,347</b>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive				
Personal services . . . . .	152,336	157,599	139,244	18,355
Materials and supplies. . . . .	8,050	8,328	7,358	970
Contractual services . . . . .	276	285	252	33
<b>Total expenditures . . . . .</b>	<b>160,662</b>	<b>166,212</b>	<b>146,854</b>	<b>19,358</b>
Net change in fund balance . . . . .	10,338	4,788	33,493	28,705
<b>Fund balance, January 1 . . . . .</b>	<b>258,522</b>	<b>258,522</b>	<b>258,522</b>	<b>-</b>
<b>Prior year encumbrances appropriated. . . . .</b>	<b>72</b>	<b>72</b>	<b>72</b>	<b>-</b>
<b>Fund balance, December 31 . . . . .</b>	<b>\$ 268,932</b>	<b>\$ 263,382</b>	<b>\$ 292,087</b>	<b>\$ 28,705</b>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 666,110	\$ 666,110	\$ 401,383	\$ (264,727)
Investment income . . . . .	12,846	12,846	7,741	(5,105)
Other . . . . .	270,936	270,936	163,260	(107,676)
<b>Total revenues . . . . .</b>	<u>949,892</u>	<u>949,892</u>	<u>572,384</u>	<u>(377,508)</u>
<b>Expenditures:</b>				
Current:				
Economic development and assistance				
Contractual services . . . . .	1,260,356	1,282,173	689,469	592,704
Other . . . . .	3,621	3,684	1,981	1,703
<b>Total expenditures . . . . .</b>	<u>1,263,977</u>	<u>1,285,857</u>	<u>691,450</u>	<u>594,407</u>
Deficiency of revenues under expenditures . . . . .	(314,085)	(335,965)	(119,066)	216,899
<b>Other financing sources:</b>				
Transfers in . . . . .	108	108	65	43
<b>Total other financing sources . . . . .</b>	<u>108</u>	<u>108</u>	<u>65</u>	<u>43</u>
Net change in fund balance . . . . .	(313,977)	(335,857)	(119,001)	216,942
<b>Fund balance, January 1 (restated) . . . . .</b>	329,313	329,313	329,313	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>133,750</u>	<u>133,750</u>	<u>133,750</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 149,086</u>	<u>\$ 127,206</u>	<u>\$ 344,062</u>	<u>\$ 216,942</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 COMMUNITY ROTARY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 1,777	\$ 7,403	\$ 12,250	\$ 4,847
Other . . . . .	1,223	5,097	8,434	3,337
<b>Total revenues . . . . .</b>	<u>3,000</u>	<u>12,500</u>	<u>20,684</u>	<u>8,184</u>
<b>Expenditures:</b>				
Current:				
Economic development and assistance				
Contractual services. . . . .	4,516	12,017	12,017	-
<b>Total expenditures . . . . .</b>	<u>4,516</u>	<u>12,017</u>	<u>12,017</u>	<u>-</u>
Net change in fund balance . . . . .	(1,516)	483	8,667	8,184
<b>Fund balance, January 1 (restated) . . . . .</b>	62,099	62,099	62,099	-
<b>Prior year encumbrances appropriated. . . . .</b>	16	16	16	-
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 60,599</u>	<u>\$ 62,598</u>	<u>\$ 70,782</u>	<u>\$ 8,184</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 COURT COMPUTERIZATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 34,263	\$ 50,236	\$ 68,424	\$ 18,188
Total revenues . . . . .	<u>34,263</u>	<u>50,236</u>	<u>68,424</u>	<u>18,188</u>
<b>Expenditures:</b>				
Current:				
General government:				
Judicial				
Materials and supplies. . . . .	47,589	57,606	42,176	15,430
Contractual services. . . . .	23,165	28,041	20,530	7,511
Capital outlay . . . . .	<u>59,038</u>	<u>71,463</u>	<u>52,322</u>	<u>19,141</u>
Total expenditures . . . . .	<u>129,792</u>	<u>157,110</u>	<u>115,028</u>	<u>42,082</u>
Deficiency of revenues under expenditures. . . . .	(95,529)	(106,874)	(46,604)	60,270
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>8,637</u>	<u>12,664</u>	<u>17,249</u>	<u>(4,585)</u>
Total other financing sources . . . . .	<u>8,637</u>	<u>12,664</u>	<u>17,249</u>	<u>(4,585)</u>
Net change in fund balance . . . . .	(86,892)	(94,210)	(29,355)	55,685
<b>Fund balance, January 1 (restated) . . . . .</b>	125,930	125,930	125,930	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>19,892</u>	<u>19,892</u>	<u>19,892</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 58,930</u>	<u>\$ 51,612</u>	<u>\$ 116,467</u>	<u>\$ 55,685</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 YOUTH SERVICES FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 1,303	\$ 1,479	\$ 1,396	\$ (83)
Intergovernmental . . . . .	868,862	986,541	931,213	(55,328)
Other . . . . .	2,390	2,713	2,561	(152)
Total revenues . . . . .	<u>872,555</u>	<u>990,733</u>	<u>935,170</u>	<u>(55,563)</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services . . . . .	563,367	603,315	426,553	176,762
Materials and supplies . . . . .	31,164	33,374	23,596	9,778
Contractual services . . . . .	523,684	560,819	396,507	164,312
Capital outlay . . . . .	20,865	22,345	15,798	6,547
Other . . . . .	1,401	1,501	1,061	440
Total expenditures . . . . .	<u>1,140,481</u>	<u>1,221,354</u>	<u>863,515</u>	<u>357,839</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	(267,926)	(230,621)	71,655	302,276
<b>Other financing sources:</b>				
Other financing sources . . . . .	<u>770</u>	<u>874</u>	<u>825</u>	<u>49</u>
Total other financing sources . . . . .	<u>770</u>	<u>874</u>	<u>825</u>	<u>49</u>
Net change in fund balance . . . . .	(267,156)	(229,747)	72,480	302,325
<b>Fund balance, January 1 (restated) . . . . .</b>	1,383,674	1,383,674	1,383,674	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>115,444</u>	<u>115,444</u>	<u>115,444</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 1,231,962</u>	<u>\$ 1,269,371</u>	<u>\$ 1,571,598</u>	<u>\$ 302,325</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 NORTHERN OHIO JUVENILE CORRECTIONS FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 712,246	\$ 712,246	\$ 882,650	\$ 170,404
Other . . . . .	13,754	13,754	17,045	3,291
<b>Total revenues . . . . .</b>	<u>726,000</u>	<u>726,000</u>	<u>899,695</u>	<u>173,695</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services . . . . .	637,767	750,766	675,149	75,617
Materials and supplies. . . . .	95,471	112,386	101,067	11,319
Contractual services. . . . .	102,627	120,810	108,642	12,168
Capital outlay . . . . .	19,207	22,610	20,333	2,277
<b>Total expenditures . . . . .</b>	<u>855,072</u>	<u>1,006,572</u>	<u>905,191</u>	<u>101,381</u>
Net change in fund balance . . . . .	(129,072)	(280,572)	(5,496)	275,076
<b>Fund balance, January 1 . . . . .</b>	342,797	342,797	342,797	-
<b>Prior year encumbrances appropriated . . . . .</b>	21,133	21,133	21,133	-
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 234,858</u>	<u>\$ 83,358</u>	<u>\$ 358,434</u>	<u>\$ 275,076</u>



**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 PROBATE COURT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 39,550	\$ 39,550	\$ 36,569	\$ (2,981)
Total revenues . . . . .	<u>39,550</u>	<u>39,550</u>	<u>36,569</u>	<u>(2,981)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Judicial				
Materials and supplies. . . . .	58	58	49	9
Contractual services. . . . .	<u>51,268</u>	<u>51,268</u>	<u>43,485</u>	<u>7,783</u>
Total expenditures. . . . .	<u>51,326</u>	<u>51,326</u>	<u>43,534</u>	<u>7,792</u>
Net change in fund balance . . . . .	(11,776)	(11,776)	(6,965)	4,811
<b>Fund balance, January 1 (restated) . . . . .</b>	13,860	13,860	13,860	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>4,326</u>	<u>4,326</u>	<u>4,326</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 6,410</u>	<u>\$ 6,410</u>	<u>\$ 11,221</u>	<u>\$ 4,811</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 COUNTY COURT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 270,656	\$ 270,656	\$ 252,578	\$ (18,078)
Fines and forfeitures. . . . .	7,188	7,188	6,708	(480)
Intergovernmental . . . . .	2,656	2,656	2,479	(177)
Total revenues . . . . .	<u>280,500</u>	<u>280,500</u>	<u>261,765</u>	<u>(18,735)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Judicial				
Materials and supplies. . . . .	8,363	8,363	1,240	7,123
Contractual services. . . . .	<u>121,567</u>	<u>121,567</u>	<u>18,025</u>	<u>103,542</u>
Total expenditures . . . . .	<u>129,930</u>	<u>129,930</u>	<u>19,265</u>	<u>110,665</u>
Net change in fund balance . . . . .	150,570	150,570	242,500	91,930
<b>Fund balance, January 1 (restated) . . . . .</b>	1,028,287	1,028,287	1,028,287	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>16,930</u>	<u>16,930</u>	<u>16,930</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 1,195,787</u>	<u>\$ 1,195,787</u>	<u>\$ 1,287,717</u>	<u>\$ 91,930</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 PUBLIC DEFENDER FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ -	\$ 3,839	\$ 3,979	\$ 140
Total revenues . . . . .	<u>-</u>	<u>3,839</u>	<u>3,979</u>	<u>140</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services . . . . .	383,247	394,460	386,772	7,688
Materials and supplies . . . . .	24,082	24,787	24,304	483
Contractual services . . . . .	<u>236,517</u>	<u>243,438</u>	<u>238,693</u>	<u>4,745</u>
Total expenditures . . . . .	<u>643,846</u>	<u>662,685</u>	<u>649,769</u>	<u>12,916</u>
Deficiency of revenues under expenditures . . . . .	<u>(643,846)</u>	<u>(658,846)</u>	<u>(645,790)</u>	<u>13,056</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	<u>650,000</u>	<u>635,000</u>	<u>635,000</u>	<u>-</u>
Total other financing sources . . . . .	<u>650,000</u>	<u>635,000</u>	<u>635,000</u>	<u>-</u>
Net change in fund balance . . . . .	6,154	(23,846)	(10,790)	13,056
<b>Fund balance, January 1 . . . . .</b>	8,907	8,907	8,907	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>16,919</u>	<u>16,919</u>	<u>16,919</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 31,980</u>	<u>\$ 1,980</u>	<u>\$ 15,036</u>	<u>\$ 13,056</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SHERIFF SPECIAL ACCOUNT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 51,261	\$ 56,489	\$ 9,660	\$ (46,829)
Fines and forfeitures. . . . .	25,705	28,326	4,844	(23,482)
Intergovernmental . . . . .	344,675	379,826	64,953	(314,873)
Other . . . . .	14,407	15,877	2,715	(13,162)
<b>Total revenues . . . . .</b>	<b>436,048</b>	<b>480,518</b>	<b>82,172</b>	<b>(398,346)</b>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services . . . . .	61,916	68,891	60,448	8,443
Materials and supplies. . . . .	3,089	3,437	3,016	421
Contractual services . . . . .	19,702	21,922	19,235	2,687
Capital outlay . . . . .	333,398	370,951	325,490	45,461
<b>Total expenditures . . . . .</b>	<b>418,105</b>	<b>465,201</b>	<b>408,189</b>	<b>57,012</b>
Net change in fund balance . . . . .	17,943	15,317	(326,017)	(341,334)
<b>Fund balance, January 1 (restated) . . . . .</b>	<b>75,800</b>	<b>75,800</b>	<b>75,800</b>	<b>-</b>
<b>Prior year encumbrances appropriated . . . . .</b>	<b>297,914</b>	<b>297,914</b>	<b>297,914</b>	<b>-</b>
<b>Fund balance, December 31 . . . . .</b>	<b>\$ 391,657</b>	<b>\$ 389,031</b>	<b>\$ 47,697</b>	<b>\$ (341,334)</b>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 DRUG TASK FORCE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Fines and forfeitures . . . . .	\$ 6,090	\$ 4,305	\$ 5,749	\$ 1,444
Intergovernmental . . . . .	176,705	124,909	166,818	41,909
Other . . . . .	14,705	10,394	13,882	3,488
Total revenues . . . . .	<u>197,500</u>	<u>139,608</u>	<u>186,449</u>	<u>46,841</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services . . . . .	116,497	124,846	111,263	13,583
Materials and supplies . . . . .	28,656	30,709	27,368	3,341
Contractual services . . . . .	75,084	80,464	71,710	8,754
Total expenditures . . . . .	<u>220,237</u>	<u>236,019</u>	<u>210,341</u>	<u>25,678</u>
Net change in fund balance . . . . .	(22,737)	(96,411)	(23,892)	72,519
<b>Fund balance, January 1 . . . . .</b>	<u>83,642</u>	<u>83,642</u>	<u>83,642</u>	<u>-</u>
<b>Fund balance(deficit), December 31 . . . . .</b>	<u>\$ 60,905</u>	<u>\$ (12,769)</u>	<u>\$ 59,750</u>	<u>\$ 72,519</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 ADULT PROBATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 9,131	\$ 10,436	\$ 8,659	\$ (1,777)
Intergovernmental . . . . .	200,841	229,531	190,449	(39,082)
Other . . . . .	28	33	27	(6)
Total revenues . . . . .	<u>210,000</u>	<u>240,000</u>	<u>199,135</u>	<u>(40,865)</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services . . . . .	127,820	129,158	126,067	3,091
Other . . . . .	63,211	63,873	62,344	1,529
Total expenditures . . . . .	<u>191,031</u>	<u>193,031</u>	<u>188,411</u>	<u>4,620</u>
Net change in fund balance . . . . .	18,969	46,969	10,724	(36,245)
<b>Fund balance, January 1 . . . . .</b>	<u>23,581</u>	<u>23,581</u>	<u>23,581</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 42,550</u>	<u>\$ 70,550</u>	<u>\$ 34,305</u>	<u>\$ (36,245)</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 EMERGENCY MANAGEMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Charges for services . . . . .	\$ 19,497	\$ 24,315	\$ 15,382	\$ (8,933)
Intergovernmental . . . . .	1,119,595	1,396,290	883,303	(512,987)
Other . . . . .	12,437	15,510	9,812	(5,698)
Total revenues . . . . .	<u>1,151,529</u>	<u>1,436,115</u>	<u>908,497</u>	<u>(527,618)</u>
<b>Expenditures:</b>				
Current:				
Public safety				
Personal services . . . . .	155,335	177,909	171,159	6,750
Materials and supplies . . . . .	17,919	20,523	19,744	779
Contractual services . . . . .	67,019	76,759	73,847	2,912
Capital outlay . . . . .	602,199	689,711	663,544	26,167
Total expenditures . . . . .	<u>842,472</u>	<u>964,902</u>	<u>928,294</u>	<u>36,608</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	309,057	471,213	(19,797)	(491,010)
<b>Other financing sources (uses):</b>				
Transfers in . . . . .	54,682	68,196	43,141	25,055
Transfers out . . . . .	<u>(63,052)</u>	<u>(72,215)</u>	<u>(44,312)</u>	<u>(27,903)</u>
Total other financing sources (uses) . . . . .	<u>(8,370)</u>	<u>(4,019)</u>	<u>(1,171)</u>	<u>(2,848)</u>
Net change in fund balance . . . . .	300,687	467,194	(20,968)	(493,858)
<b>Fund balance, January 1 . . . . .</b>	152,244	152,244	152,244	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>145,183</u>	<u>145,183</u>	<u>145,183</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 598,114</u>	<u>\$ 764,621</u>	<u>\$ 276,459</u>	<u>\$ (493,858)</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 CRIME VICTIM ASSISTANCE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ 141,378	\$ 219,567	\$ 150,053	\$ (69,514)
Other . . . . .	18,622	28,921	19,765	(9,156)
<b>Total revenues . . . . .</b>	<u>160,000</u>	<u>248,488</u>	<u>169,818</u>	<u>(78,670)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive				
Personal services . . . . .	111,758	194,391	123,862	70,529
Materials and supplies. . . . .	12,332	21,451	13,668	7,783
Contractual services . . . . .	19,424	33,786	21,528	12,258
Other. . . . .	506	880	561	319
<b>Total expenditures . . . . .</b>	<u>144,020</u>	<u>250,508</u>	<u>159,619</u>	<u>90,889</u>
Net change in fund balance . . . . .	15,980	(2,020)	10,199	12,219
<b>Fund balance, January 1. . . . .</b>	32,808	32,808	32,808	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>6,457</u>	<u>6,457</u>	<u>6,457</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 55,245</u>	<u>\$ 37,245</u>	<u>\$ 49,464</u>	<u>\$ 12,219</u>



**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 LODGING EXCISE TAX FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Sales taxes . . . . .	\$ 1,353,818	\$ 1,914,316	\$ 1,781,158	\$ (133,158)
Total revenues . . . . .	<u>1,353,818</u>	<u>1,914,316</u>	<u>1,781,158</u>	<u>(133,158)</u>
<b>Expenditures:</b>				
Current:				
Legislative and executive				
Materials and supplies . . . . .	365,479	800,573	937,655	(137,082)
Total legislative and executive . . . . .	<u>365,479</u>	<u>800,573</u>	<u>937,655</u>	<u>(137,082)</u>
Economic Development				
Contractual services . . . . .	1,734,521	3,799,427	4,450,000	(650,573)
Total economic development . . . . .	<u>1,734,521</u>	<u>3,799,427</u>	<u>4,450,000</u>	<u>(650,573)</u>
Total expenditures . . . . .	<u>2,100,000</u>	<u>4,600,000</u>	<u>5,387,655</u>	<u>(787,655)</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(746,182)</u>	<u>(2,685,684)</u>	<u>(3,606,497)</u>	<u>(920,813)</u>
<b>Other financing sources:</b>				
Proceeds from the sale of notes . . . . .	1,786,182	2,525,684	2,350,000	175,684
Total other financing sources . . . . .	<u>1,786,182</u>	<u>2,525,684</u>	<u>2,350,000</u>	<u>175,684</u>
Net change in fund balance . . . . .	1,040,000	(160,000)	(1,256,497)	(745,129)
<b>Fund balance, January 1 . . . . .</b>	<u>2,452,062</u>	<u>2,452,062</u>	<u>2,452,062</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 3,492,062</u>	<u>\$ 2,292,062</u>	<u>\$ 1,195,565</u>	<u>\$ (745,129)</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SENIOR CITIZEN LEVY FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes . . . . .	\$ 851,191	\$ 867,000	\$ 866,537	\$ (463)
Total revenues . . . . .	<u>851,191</u>	<u>867,000</u>	<u>866,537</u>	<u>(463)</u>
<b>Expenditures:</b>				
Current:				
Human services				
Materials and supplies. . . . .	865,000	866,313	866,313	-
Total expenditures . . . . .	<u>865,000</u>	<u>866,313</u>	<u>866,313</u>	<u>-</u>
Net change in fund balance . . . . .	(13,809)	687	224	(463)
<b>Fund balance, January 1 . . . . .</b>	<u>58</u>	<u>58</u>	<u>58</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ (13,751)</u>	<u>\$ 745</u>	<u>\$ 282</u>	<u>\$ (463)</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 TREASURER'S PREPAID INTEREST FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ 15,994	\$ 34,987	\$ 61,177	\$ 26,190
Other . . . . .	6	13	22	9
Total revenues . . . . .	<u>16,000</u>	<u>35,000</u>	<u>61,199</u>	<u>26,199</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive				
Personal services . . . . .	72,166	72,166	71,030	1,136
Materials and supplies. . . . .	7,901	7,901	7,777	124
Total expenditures . . . . .	<u>80,067</u>	<u>80,067</u>	<u>78,807</u>	<u>1,260</u>
Net change in fund balance . . . . .	(64,067)	(45,067)	(17,608)	27,459
<b>Fund balance, January 1. . . . .</b>	101,814	101,814	101,814	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>1,297</u>	<u>1,297</u>	<u>1,297</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 39,044</u>	<u>\$ 58,044</u>	<u>\$ 85,503</u>	<u>\$ 27,459</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SOLID WASTE DISTRICT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 462,152	\$ 527,059	\$ 404,906	\$ (122,153)
Intergovernmental . . . . .	9,671	11,029	8,473	(2,556)
Other . . . . .	1,492	1,701	1,307	(394)
Total revenues . . . . .	<u>473,315</u>	<u>539,789</u>	<u>414,686</u>	<u>(125,103)</u>
<b>Expenditures:</b>				
Current:				
Health				
Personal services . . . . .	122,750	142,424	118,239	24,185
Materials and supplies. . . . .	56,723	65,814	54,638	11,176
Contractual services. . . . .	279,377	324,154	269,109	55,045
Capital outlay . . . . .	21,182	24,578	20,404	4,174
Total expenditures . . . . .	<u>480,032</u>	<u>556,970</u>	<u>462,390</u>	<u>94,580</u>
Deficiency of revenues under expenditures. . . . .	(6,717)	(17,181)	(47,704)	(30,523)
<b>Other financing sources:</b>				
Transfers in . . . . .	7,305	8,331	6,400	(1,931)
Total other financing sources. . . . .	<u>7,305</u>	<u>8,331</u>	<u>6,400</u>	<u>(1,931)</u>
Net change in fund balance . . . . .	588	(8,850)	(41,304)	(32,454)
<b>Fund balance (deficit), January 1 (restated) . . . .</b>	(1,725)	(1,725)	(1,725)	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>44,739</u>	<u>44,739</u>	<u>44,739</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 43,602</u>	<u>\$ 34,164</u>	<u>\$ 1,710</u>	<u>\$ (32,454)</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 HAVA FEDERAL ELECTIONS FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental . . . . .	\$ -	\$ 19,435	\$ 19,434	\$ (1)
Total revenues . . . . .	<u>-</u>	<u>19,435</u>	<u>19,434</u>	<u>(1)</u>
<b>Expenditures:</b>				
Current:				
General government:				
Legislative and executive				
Materials and supplies . . . . .	-	13,991	-	13,991
Contractual services . . . . .	<u>-</u>	<u>5,444</u>	<u>-</u>	<u>5,444</u>
Total expenditures . . . . .	<u>-</u>	<u>19,435</u>	<u>-</u>	<u>19,435</u>
Net change in fund balance . . . . .	-	-	19,434	19,434
<b>Fund balance, January 1 . . . . .</b>	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ 19,435</u>	<u>\$ 19,434</u>

**ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
DECEMBER 31, 2005

	<b>General Obligation Bond Retirement</b>	<b>Special Assessment Bond Retirement</b>	<b>Total</b>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . . .	\$ 305,830	\$ 78,145	\$ 383,975
Receivables (net of allowances of uncollectibles):			
Special assessments . . . . .	-	221,210	221,210
Total assets . . . . .	<u>\$ 305,830</u>	<u>\$ 299,355</u>	<u>\$ 605,185</u>
<b>Liabilities:</b>			
Deferred revenue. . . . .	\$ -	\$ 221,210	\$ 221,210
Total liabilities . . . . .	-	221,210	221,210
<b>Fund Balances:</b>			
Reserved for debt service . . . . .	305,830	78,145	383,975
Total fund balances . . . . .	<u>305,830</u>	<u>78,145</u>	<u>383,975</u>
Total liabilities and fund balances. . . . .	<u>\$ 305,830</u>	<u>\$ 299,355</u>	<u>\$ 605,185</u>

**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>General Obligation Bond Retirement</b>	<b>Special Assessment Bond Retirement</b>	<b>Total</b>
<b>Revenues:</b>			
Special assessments . . . . .	\$ -	\$ 510,969	\$ 510,969
Other . . . . .	285,371	-	285,371
Total revenues . . . . .	<u>285,371</u>	<u>510,969</u>	<u>796,340</u>
<b>Expenditures:</b>			
Current:			
Other . . . . .	-	615	615
Debt service:			
Principal retirement . . . . .	585,000	453,699	1,038,699
Interest and fiscal charges . . . . .	378,382	97,874	476,256
Total expenditures . . . . .	<u>963,382</u>	<u>552,188</u>	<u>1,515,570</u>
Excess (deficiency) of revenues over (under) expenditures . . . . .	<u>(678,011)</u>	<u>(41,219)</u>	<u>(719,230)</u>
<b>Other financing sources (uses):</b>			
Transfers in . . . . .	793,952	224,751	1,018,703
Transfers out . . . . .	(93,729)	(105,438)	(199,167)
Total other financing sources (uses) . . . . .	<u>700,223</u>	<u>119,313</u>	<u>819,536</u>
Net change in fund balances . . . . .	22,212	78,094	100,306
<b>Fund balances at beginning of year . . . . .</b>	<u>283,618</u>	<u>51</u>	<u>283,669</u>
<b>Fund balances at end of year . . . . .</b>	<u><u>\$ 305,830</u></u>	<u><u>\$ 78,145</u></u>	<u><u>\$ 383,975</u></u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 GENERAL OBLIGATION BOND RETIREMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Other . . . . .	\$ 266,991	\$ 266,991	\$ 270,836	\$ 3,845
Total revenues . . . . .	<u>266,991</u>	<u>266,991</u>	<u>270,836</u>	<u>3,845</u>
<b>Expenditures:</b>				
Current:				
Debt service:				
Principal retirement. . . . .	666,256	666,256	666,200	56
Interest and fiscal charges . . . . .	390,944	390,944	390,911	33
Total expenditures. . . . .	<u>1,057,200</u>	<u>1,057,200</u>	<u>1,057,111</u>	<u>89</u>
Deficiency of revenues under expenditures. . . . .	<u>(790,209)</u>	<u>(790,209)</u>	<u>(786,275)</u>	<u>3,934</u>
<b>Other financing sources:</b>				
Transfers in . . . . .	782,680	782,680	793,952	11,272
Sale of capital assets. . . . .	14,329	14,329	14,535	206
Total other financing sources . . . . .	<u>797,009</u>	<u>797,009</u>	<u>808,487</u>	<u>11,478</u>
Net change in fund balance . . . . .	6,800	6,800	22,212	15,412
<b>Fund balance, January 1 . . . . .</b>	<u>283,618</u>	<u>283,618</u>	<u>283,618</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 290,418</u>	<u>\$ 290,418</u>	<u>\$ 305,830</u>	<u>\$ 15,412</u>



**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 SPECIAL ASSESSMENT BOND RETIREMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Special assessments . . . . .	\$ 465,325	\$ 465,325	\$ 510,969	\$ 45,644
Total revenues . . . . .	<u>465,325</u>	<u>465,325</u>	<u>510,969</u>	<u>45,644</u>
<b>Expenditures:</b>				
Current:				
Debt service:				
Principal retirement . . . . .	496,758	497,224	497,110	114
Interest and fiscal charges. . . . .	159,788	159,937	159,901	36
Other. . . . .	615	615	615	-
Total expenditures . . . . .	<u>657,161</u>	<u>657,776</u>	<u>657,626</u>	<u>150</u>
Deficiency of revenues under expenditures . . . . .	(191,836)	(192,451)	(146,657)	45,794
<b>Other financing sources:</b>				
Transfers in . . . . .	204,675	204,675	224,751	20,076
Total other financing sources. . . . .	<u>204,675</u>	<u>204,675</u>	<u>224,751</u>	<u>20,076</u>
Net change in fund balance . . . . .	12,839	12,224	78,094	65,870
<b>Fund balance, January 1 . . . . .</b>	<u>51</u>	<u>51</u>	<u>51</u>	<u>-</u>
<b>Fund balance, December 31. . . . .</b>	<u>\$ 12,890</u>	<u>\$ 12,275</u>	<u>\$ 78,145</u>	<u>\$ 65,870</u>

**ERIE COUNTY, OHIO**

COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
DECEMBER 31, 2005

	<u>Building Construction</u>	<u>Drainage Improvement</u>	<u>Total</u>
<b>Assets:</b>			
Equity in pooled cash and cash equivalents. . . .	\$ 1,052,442	\$ 215,495	\$ 1,267,937
Total assets. . . . .	<u>\$ 1,052,442</u>	<u>\$ 215,495</u>	<u>\$ 1,267,937</u>
<b>Liabilities:</b>			
Accounts payable. . . . .	\$ 7,353	\$ 230	\$ 7,583
Contracts payable. . . . .	-	39,639	39,639
Due to other funds . . . . .	-	-	-
Total liabilities. . . . .	<u>7,353</u>	<u>39,869</u>	<u>47,222</u>
<b>Fund Balances:</b>			
Reserved for encumbrances . . . . .	609,349	-	609,349
Unreserved, undesignated, reported in:			
Capital projects funds . . . . .	<u>435,740</u>	<u>175,626</u>	<u>611,366</u>
Total fund balances . . . . .	<u>1,045,089</u>	<u>175,626</u>	<u>1,220,715</u>
Total liabilities and fund balances. . . . .	<u>\$ 1,052,442</u>	<u>\$ 215,495</u>	<u>\$ 1,267,937</u>

**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Building Construction</u>	<u>Drainage Improvement</u>	<u>Total</u>
<b>Revenues:</b>			
Charges for services . . . . .	\$ 790	\$ -	\$ 790
Intergovernmental . . . . .	-	-	-
Investment income . . . . .	-	-	-
Other . . . . .	-	-	-
Total revenues . . . . .	<u>790</u>	<u>-</u>	<u>790</u>
<b>Expenditures:</b>			
Current:			
Capital outlay . . . . .	557,241	40,098	597,339
Debt service:			
Principal retirement . . . . .	1,000,000	-	1,000,000
Interest and fiscal charges. . . . .	19,944	-	19,944
Total expenditures . . . . .	<u>1,577,185</u>	<u>40,098</u>	<u>1,617,283</u>
Excess (deficiency) of revenues over (under) expenditures. . . . .	<u>(1,576,395)</u>	<u>(40,098)</u>	<u>(1,616,493)</u>
<b>Other financing sources:</b>			
Premium on notes sold. . . . .	3,205	-	3,205
Proceeds from sale of notes . . . . .	2,200,000	70,000	2,270,000
Total other financing sources . . . . .	<u>2,203,205</u>	<u>70,000</u>	<u>2,273,205</u>
Net change in fund balances. . . . .	626,810	29,902	656,712
<b>Fund balances at beginning of year . . . . .</b>	<u>418,279</u>	<u>145,724</u>	<u>564,003</u>
<b>Fund balances at end of year . . . . .</b>	<u>\$ 1,045,089</u>	<u>\$ 175,626</u>	<u>\$ 1,220,715</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 BUILDING CONSTRUCTION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Charges for services . . . . .	\$ 759	\$ 1,284	\$ 790	\$ (494)
Total revenues . . . . .	<u>759</u>	<u>1,284</u>	<u>790</u>	<u>(494)</u>
<b>Expenditures:</b>				
Current:				
Capital outlay				
Materials and supplies . . . . .	2,602	3,689	1,778	1,911
Contractual services . . . . .	185,211	262,559	126,562	135,997
Capital outlay. . . . .	1,697,594	2,406,540	1,160,030	1,246,510
Other . . . . .	<u>1,098</u>	<u>1,556</u>	<u>750</u>	<u>806</u>
Total capital outlay . . . . .	<u>1,886,505</u>	<u>2,674,344</u>	<u>1,289,120</u>	<u>1,385,224</u>
Debt service:				
Interest and fiscal charges . . . . .	29,186	41,375	19,944	21,431
Total debt service . . . . .	<u>29,186</u>	<u>41,375</u>	<u>19,944</u>	<u>21,431</u>
Total expenditures. . . . .	<u>1,915,691</u>	<u>2,715,719</u>	<u>1,309,064</u>	<u>1,406,655</u>
Deficiency of revenues under expenditures . . . . .	<u>(1,914,932)</u>	<u>(2,714,435)</u>	<u>(1,308,274)</u>	<u>1,406,161</u>
<b>Other financing sources:</b>				
Proceeds from the sale of notes . . . . .	1,153,161	1,950,507	1,200,000	(750,507)
Premium on notes sold . . . . .	<u>3,080</u>	<u>5,209</u>	<u>3,205</u>	<u>2,004</u>
Total other financing sources . . . . .	<u>1,156,241</u>	<u>1,955,716</u>	<u>1,203,205</u>	<u>(748,503)</u>
Net change in fund balance . . . . .	(758,691)	(758,719)	(105,069)	657,658
<b>Fund balance, January 1. . . . .</b>	262,063	262,063	262,063	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>278,746</u>	<u>278,746</u>	<u>278,746</u>	<u>-</u>
<b>Fund balance (deficit), December 31 . . . . .</b>	<u>\$ (217,882)</u>	<u>\$ (217,910)</u>	<u>\$ 435,740</u>	<u>\$ 657,658</u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 DRAINAGE IMPROVEMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Current:				
Public works				
Materials and supplies. . . . .	\$ 906	\$ 906	\$ 229	\$ 677
Contractual services. . . . .	156,769	156,769	39,639	117,130
Total expenditures . . . . .	<u>157,675</u>	<u>157,675</u>	<u>39,868</u>	<u>117,807</u>
Deficiency of revenues under expenditures . . . . .	(157,675)	(157,675)	(39,868)	117,807
<b>Other financing sources:</b>				
Proceeds from the sale of notes . . . . .	-	-	70,000	(70,000)
Total other financing sources . . . . .	<u>-</u>	<u>-</u>	<u>70,000</u>	<u>(70,000)</u>
Net change in fund balance . . . . .	(157,675)	(157,675)	30,132	47,807
<b>Fund balance, January 1. . . . .</b>	138,799	138,799	138,799	-
<b>Prior year encumbrances appropriated . . . . .</b>	<u>6,925</u>	<u>6,925</u>	<u>6,925</u>	<u>-</u>
<b>Fund balance (deficit), December 31 . . . . .</b>	<u>\$ (11,951)</u>	<u>\$ (11,951)</u>	<u>\$ 175,856</u>	<u>\$ 47,807</u>

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**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 EMPLOYEE SELF-INSURANCE FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues:</b>				
Charges for services . . . . .	\$ 6,075,718	\$ 6,075,718	\$ 7,218,749	\$ 1,143,031
Other . . . . .	459,848	459,848	546,360	86,512
Total operating revenues . . . . .	<u>6,535,566</u>	<u>6,535,566</u>	<u>7,765,109</u>	<u>1,229,543</u>
<b>Operating expenses:</b>				
Materials and supplies . . . . .	266,178	269,566	268,121	1,445
Contractual services . . . . .	399,281	404,364	402,196	2,168
Claims and judgements. . . . .	6,531,516	6,614,661	6,579,193	35,468
Total operating expenses . . . . .	<u>7,196,975</u>	<u>7,288,591</u>	<u>7,249,510</u>	<u>39,081</u>
Net income (loss) before transfers . . . . .	<u>(661,409)</u>	<u>(753,025)</u>	<u>515,599</u>	<u>1,268,624</u>
Transfers in . . . . .	23,434	23,434	27,843	4,409
Total transfers . . . . .	<u>23,434</u>	<u>23,434</u>	<u>27,843</u>	<u>4,409</u>
Net change in fund balance . . . . .	(637,975)	(729,591)	543,442	1,273,033
<b>Fund balance, January 1 . . . . .</b>	675,737	675,737	675,737	-
<b>Prior year encumbrances appropriated . . . . .</b>	46,975	46,975	46,975	-
<b>Fund balance (deficit), December 31. . . . .</b>	<u>\$ 84,737</u>	<u>\$ (6,879)</u>	<u>\$ 1,266,154</u>	<u>\$ 1,273,033</u>

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**ERIE COUNTY, OHIO**  
**NONMAJOR FIDUCIARY FUNDS**  
**FUND DESCRIPTIONS**

**Private Purpose Trust Fund**

**Bluecoat Trust Fund**

A fund used to account for assets held by the County in a trustee capacity or as an agent for other governments or funds, private organizations, or individuals. Since the County maintains only one private purpose trust fund, no combining statements are presented.

**Investment Trust Fund**

**Park District Board Fund**

A fund used to account for the changes in net assets of the participants in the external investment pool operated by the County. Currently, there is only one participant in the pool, the Erie County Metroparks Board. Since the County maintains only one investment trust fund, no combining statements are presented.

**Agency Funds**

Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

Undivided Tax Fund	Care Facility Fund
Undivided Inheritance and Estate Tax Fund	Clerk of Courts Fund
Undivided General Tax Fund	County Court Fund
Undivided Personal Tax Fund	Family Court Fund
Undivided Manufactured Home Tax Fund	Probate Court Fund
Undivided Local Government Fund	Prosecutor Fund
Fines Distribution Fund	Sheriff Fund
Lodging Excise Tax Fund	
Care Facility Agency Fund	
District Board of Health Fund	
Erie Regional Planning Fund	
Soil and Water Conservation Fund	
Mental Health Recovery Fund	
Family and Children First Fund	
State of Ohio Fund	
Subdivisions Fund	
Payroll Fund	

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 BLUECOAT TRUST FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ 600	\$ 600	\$ 1,816	\$ 1,216
Total revenues . . . . .	<u>600</u>	<u>600</u>	<u>1,816</u>	<u>1,216</u>
Net change in fund balance . . . . .	600	600	1,816	1,216
<b>Fund balance, January 1 . . . . .</b>	<u>41,938</u>	<u>41,938</u>	<u>41,938</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u><u>\$ 42,538</u></u>	<u><u>\$ 42,538</u></u>	<u><u>\$ 43,754</u></u>	<u><u>\$ 1,216</u></u>

**ERIE COUNTY, OHIO**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)  
 PARK DISTRICT BOARD FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment income . . . . .	\$ 24,067	\$ 24,067	\$ 24,067	\$ -
Total revenues . . . . .	<u>24,067</u>	<u>24,067</u>	<u>24,067</u>	<u>-</u>
Excess of revenues over expenditures . . . . .	<u>24,067</u>	<u>24,067</u>	<u>24,067</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Other financing sources . . . . .	1,608,005	1,608,005	1,608,005	-
Other financing (uses). . . . .	<u>(1,585,965)</u>	<u>(1,585,965)</u>	<u>(1,585,965)</u>	<u>-</u>
Total other financing sources (uses) . . . . .	<u>22,040</u>	<u>22,040</u>	<u>22,040</u>	<u>-</u>
Net change in fund balance. . . . .	46,107	46,107	46,107	-
<b>Fund balance, January 1 . . . . .</b>	361,156	361,156	361,156	-
<b>Prior year encumbrances appropriated. . . . .</b>	<u>25,534</u>	<u>25,534</u>	<u>25,534</u>	<u>-</u>
<b>Fund balance, December 31 . . . . .</b>	<u>\$ 432,797</u>	<u>\$ 432,797</u>	<u>\$ 432,797</u>	<u>\$ -</u>

**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Restated Balance 12.31.04</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12.31.05</b>
<b><u>Undivided Tax Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 8,220	\$ 3,177,295	\$ (3,140,225)	\$ 45,290
Total assets. . . . .	<u>\$ 8,220</u>	<u>\$ 3,177,295</u>	<u>\$ (3,140,225)</u>	<u>\$ 45,290</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 8,220	\$ 45,290	\$ (8,220)	\$ 45,290
Total liabilities. . . . .	<u>\$ 8,220</u>	<u>\$ 45,290</u>	<u>\$ (8,220)</u>	<u>\$ 45,290</u>
<b><u>Undivided Inheritance and Estate Tax Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 1,138,845	\$ 3,464,533	\$ (4,103,209)	\$ 500,169
Total assets. . . . .	<u>\$ 1,138,845</u>	<u>\$ 3,464,533</u>	<u>\$ (4,103,209)</u>	<u>\$ 500,169</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 1,138,845	\$ 500,169	\$ (1,138,845)	\$ 500,169
Total liabilities. . . . .	<u>\$ 1,138,845</u>	<u>\$ 500,169</u>	<u>\$ (1,138,845)</u>	<u>\$ 500,169</u>
<b><u>Undivided General Tax Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 2,982,385	\$ 157,811,142	\$ (157,101,509)	\$ 3,692,018
Real and other taxes receivable. . . . .	70,650,316	77,073,565	(70,650,316)	77,073,565
Total assets. . . . .	<u>\$ 73,632,701</u>	<u>\$ 234,884,707</u>	<u>\$ (227,751,825)</u>	<u>\$ 80,765,583</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 73,632,701	\$ 80,765,583	\$ (73,632,701)	\$ 80,765,583
Total liabilities. . . . .	<u>\$ 73,632,701</u>	<u>\$ 80,765,583</u>	<u>\$ (73,632,701)</u>	<u>\$ 80,765,583</u>
<b><u>Undivided Personal Tax Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 174,589	\$ 18,204,409	\$ (17,937,867)	\$ 441,131
Real and other taxes receivable. . . . .	17,343,119	16,262,728	(17,343,119)	16,262,728
Total assets. . . . .	<u>\$ 17,517,708</u>	<u>\$ 34,467,137</u>	<u>\$ (35,280,986)</u>	<u>\$ 16,703,859</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 17,517,708	\$ 16,703,859	\$ (17,517,708)	\$ 16,703,859
Total liabilities. . . . .	<u>\$ 17,517,708</u>	<u>\$ 16,703,859</u>	<u>\$ (17,517,708)</u>	<u>\$ 16,703,859</u>
<b><u>Undivided Manufactured Home Tax Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 18,283	\$ 174,841	\$ (173,430)	\$ 19,694
Total assets. . . . .	<u>\$ 18,283</u>	<u>\$ 174,841</u>	<u>\$ (173,430)</u>	<u>\$ 19,694</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 18,283	\$ 19,694	\$ (18,283)	\$ 19,694
Total liabilities. . . . .	<u>\$ 18,283</u>	<u>\$ 19,694</u>	<u>\$ (18,283)</u>	<u>\$ 19,694</u>

**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Restated Balance 12.31.04</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12.31.05</b>
<b><u>Undivided Local Government Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ -	\$ 7,392,140	\$ (7,392,140)	\$ -
Total assets. . . . .	<u>\$ -</u>	<u>\$ 7,392,140</u>	<u>\$ (7,392,140)</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ -	\$ -	\$ -	\$ -
Total liabilities. . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Fines Distribution Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 2,440	\$ 748,926	\$ (751,366)	\$ -
Total assets. . . . .	<u>\$ 2,440</u>	<u>\$ 748,926</u>	<u>\$ (751,366)</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 2,440	\$ -	\$ (2,440)	\$ -
Total liabilities. . . . .	<u>\$ 2,440</u>	<u>\$ -</u>	<u>\$ (2,440)</u>	<u>\$ -</u>
<b><u>Lodging Excise Tax Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ -	\$ 1,522,975	\$ (1,522,975)	\$ -
Total assets. . . . .	<u>\$ -</u>	<u>\$ 1,522,975</u>	<u>\$ (1,522,975)</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ -	\$ -	\$ -	\$ -
Total liabilities. . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Care Facility Agency Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 5,873	\$ 125,546	\$ (130,450)	\$ 969
Total assets. . . . .	<u>\$ 5,873</u>	<u>\$ 125,546</u>	<u>\$ (130,450)</u>	<u>\$ 969</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 5,873	\$ 969	\$ (5,873)	\$ 969
Total liabilities. . . . .	<u>\$ 5,873</u>	<u>\$ 969</u>	<u>\$ (5,873)</u>	<u>\$ 969</u>
<b><u>District Board of Health Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 2,042,664	\$ 5,170,700	\$ (5,362,414)	\$ 1,850,950
Total assets. . . . .	<u>\$ 2,042,664</u>	<u>\$ 5,170,700</u>	<u>\$ (5,362,414)</u>	<u>\$ 1,850,950</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 2,042,664	\$ 1,816,696	\$ (2,042,664)	\$ 1,816,696
Accrued wages and benefits payable. . . . .	-	34,254	-	34,254
Total liabilities. . . . .	<u>\$ 2,042,664</u>	<u>\$ 1,850,950</u>	<u>\$ (2,042,664)</u>	<u>\$ 1,850,950</u>

(continued)

**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Restated Balance 12.31.04</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12.31.05</b>
<b><u>Erie Regional Planning Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 13,304	\$ 291,147	\$ (297,266)	\$ 7,185
Total assets. . . . .	<u>\$ 13,304</u>	<u>\$ 291,147</u>	<u>\$ (297,266)</u>	<u>\$ 7,185</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 13,304	\$ 7,185	\$ (13,304)	\$ 7,185
Total liabilities. . . . .	<u>\$ 13,304</u>	<u>\$ 7,185</u>	<u>\$ (13,304)</u>	<u>\$ 7,185</u>
<b><u>Soil and Water Conservation Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 27,392	\$ 232,210	\$ (254,875)	\$ 4,727
Total assets. . . . .	<u>\$ 27,392</u>	<u>\$ 232,210</u>	<u>\$ (254,875)</u>	<u>\$ 4,727</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 27,392	\$ 4,410	\$ (27,392)	\$ 4,410
Accrued wages and benefits payable. . . . .	-	317	-	317
Total liabilities. . . . .	<u>\$ 27,392</u>	<u>\$ 4,727</u>	<u>\$ (27,392)</u>	<u>\$ 4,727</u>
<b><u>Mental Health Recovery Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 2,178,880	\$ 8,467,781	\$ (8,391,737)	\$ 2,254,924
Total assets. . . . .	<u>\$ 2,178,880</u>	<u>\$ 8,467,781</u>	<u>\$ (8,391,737)</u>	<u>\$ 2,254,924</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 2,178,880	\$ 2,253,198	\$ (2,178,880)	\$ 2,253,198
Accrued wages and benefits payable. . . . .	-	1,726	-	1,726
Total liabilities. . . . .	<u>\$ 2,178,880</u>	<u>\$ 2,254,924</u>	<u>\$ (2,178,880)</u>	<u>\$ 2,254,924</u>
<b><u>Family and Children First Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 98,865	\$ 87,820	\$ (186,700)	\$ (15)
Due from other governments. . . . .	-	15	-	15
Total assets. . . . .	<u>\$ 98,865</u>	<u>\$ 87,835</u>	<u>\$ (186,700)</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 98,865	\$ -	\$ (98,865)	\$ -
Total liabilities. . . . .	<u>\$ 98,865</u>	<u>\$ -</u>	<u>\$ (98,865)</u>	<u>\$ -</u>
<b><u>State of Ohio Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 659,421	\$ 1,484,570	\$ (1,507,417)	\$ 636,574
Total assets. . . . .	<u>\$ 659,421</u>	<u>\$ 1,484,570</u>	<u>\$ (1,507,417)</u>	<u>\$ 636,574</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 659,421	\$ 636,574	\$ (659,421)	\$ 636,574
Total liabilities. . . . .	<u>\$ 659,421</u>	<u>\$ 636,574</u>	<u>\$ (659,421)</u>	<u>\$ 636,574</u>

**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Restated Balance 12.31.04</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12.31.05</b>
<b><u>Subdivisions Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ (223,187)	\$ 7,374,643	\$ (7,392,140)	\$ (240,684)
Due from other governments. . . . .	223,187	240,684	(223,187)	240,684
Total assets. . . . .	<u>\$ -</u>	<u>\$ 7,615,327</u>	<u>\$ (7,615,327)</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ -	\$ -	\$ -	\$ -
Total liabilities. . . . .	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b><u>Payroll Fund</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 82,195	\$ 37,275,699	\$ (37,428,160)	\$ (70,266)
Due from other governments. . . . .	-	70,266	-	70,266
Total assets. . . . .	<u>\$ 82,195</u>	<u>\$ 37,345,965</u>	<u>\$ (37,428,160)</u>	<u>\$ -</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 82,195	\$ -	\$ (82,195)	\$ -
Total liabilities. . . . .	<u>\$ 82,195</u>	<u>\$ -</u>	<u>\$ (82,195)</u>	<u>\$ -</u>
<b><u>Care Facility Fund</u></b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 42,023	\$ 42,744	\$ (42,023)	\$ 42,744
Total assets. . . . .	<u>\$ 42,023</u>	<u>\$ 42,744</u>	<u>\$ (42,023)</u>	<u>\$ 42,744</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 42,023	\$ 42,744	\$ (42,023)	\$ 42,744
Total liabilities. . . . .	<u>\$ 42,023</u>	<u>\$ 42,744</u>	<u>\$ (42,023)</u>	<u>\$ 42,744</u>
<b><u>Clerk of Courts Fund</u></b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 2,496,842	\$ 2,643,289	\$ (2,496,842)	\$ 2,643,289
Total assets. . . . .	<u>\$ 2,496,842</u>	<u>\$ 2,643,289</u>	<u>\$ (2,496,842)</u>	<u>\$ 2,643,289</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 2,496,842	\$ 2,643,289	\$ (2,496,842)	\$ 2,643,289
Total liabilities. . . . .	<u>\$ 2,496,842</u>	<u>\$ 2,643,289</u>	<u>\$ (2,496,842)</u>	<u>\$ 2,643,289</u>
<b><u>County Court Fund</u></b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 7,357	\$ 8,206	\$ (7,357)	\$ 8,206
Total assets. . . . .	<u>\$ 7,357</u>	<u>\$ 8,206</u>	<u>\$ (7,357)</u>	<u>\$ 8,206</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 7,357	\$ 8,206	\$ (7,357)	\$ 8,206
Total liabilities. . . . .	<u>\$ 7,357</u>	<u>\$ 8,206</u>	<u>\$ (7,357)</u>	<u>\$ 8,206</u>

(continued)

**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Restated Balance 12.31.04</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12.31.05</b>
<b><u>Family Court Fund</u></b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 13,413	\$ 12,545	\$ (13,413)	\$ 12,545
Total assets. . . . .	<u>\$ 13,413</u>	<u>\$ 12,545</u>	<u>\$ (13,413)</u>	<u>\$ 12,545</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 13,413	\$ 12,545	\$ (13,413)	\$ 12,545
Total liabilities. . . . .	<u>\$ 13,413</u>	<u>\$ 12,545</u>	<u>\$ (13,413)</u>	<u>\$ 12,545</u>
<b><u>Probate Court Fund</u></b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 73,721	\$ 98,703	\$ (73,721)	\$ 98,703
Total assets. . . . .	<u>\$ 73,721</u>	<u>\$ 98,703</u>	<u>\$ (73,721)</u>	<u>\$ 98,703</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 73,721	\$ 98,703	\$ (73,721)	\$ 98,703
Total liabilities. . . . .	<u>\$ 73,721</u>	<u>\$ 98,703</u>	<u>\$ (73,721)</u>	<u>\$ 98,703</u>
<b><u>Prosecutor Fund</u></b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ -	\$ 12,307	\$ -	\$ 12,307
Total assets. . . . .	<u>\$ -</u>	<u>\$ 12,307</u>	<u>\$ -</u>	<u>\$ 12,307</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ -	\$ 12,307	\$ -	\$ 12,307
Total liabilities. . . . .	<u>\$ -</u>	<u>\$ 12,307</u>	<u>\$ -</u>	<u>\$ 12,307</u>
<b><u>Sheriff Fund</u></b>				
<b>Assets:</b>				
Cash in segregated accounts . . . . .	\$ 203,995	\$ 178,058	\$ (203,995)	\$ 178,058
Total assets. . . . .	<u>\$ 203,995</u>	<u>\$ 178,058</u>	<u>\$ (203,995)</u>	<u>\$ 178,058</u>
<b>Liabilities:</b>				
Deposits held and due to others . . . . .	\$ 203,995	\$ 178,058	\$ (203,995)	\$ 178,058
Total liabilities. . . . .	<u>\$ 203,995</u>	<u>\$ 178,058</u>	<u>\$ (203,995)</u>	<u>\$ 178,058</u>



**ERIE COUNTY, OHIO**

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2005

	<b>Restated Balance 12.31.04</b>	<b>Additions</b>	<b>Reductions</b>	<b>Balance 12.31.05</b>
<b><u>Total Agency Funds</u></b>				
<b>Assets:</b>				
Equity in pooled cash and cash equivalents . . . .	\$ 9,210,169	\$ 253,006,377	\$ (253,073,880)	\$ 9,142,666
Cash in segregated accounts . . . . .	2,837,351	2,995,852	(2,837,351)	2,995,852
Receivables (net of allowances of uncollectibles):				
Real and other taxes . . . . .	87,993,435	93,336,293	(87,993,435)	93,336,293
Due from other governments. . . . .	223,187	310,965	(223,187)	310,965
Total assets. . . . .	<u>\$ 100,264,142</u>	<u>\$ 349,649,487</u>	<u>\$ (344,127,853)</u>	<u>\$ 105,785,776</u>
<b>Liabilities:</b>				
Due to other governments . . . . .	\$ 97,426,791	\$ 102,753,627	\$ (97,426,791)	\$ 102,753,627
Accrued wages and benefits payable. . . . .	-	36,297	-	36,297
Deposits held and due to others . . . . .	2,837,351	2,995,852	(2,837,351)	2,995,852
Total liabilities. . . . .	<u>\$ 100,264,142</u>	<u>\$ 105,785,776</u>	<u>\$ (100,264,142)</u>	<u>\$ 105,785,776</u>

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# STATISTICAL SECTION

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STATISTICAL SECTION

**ERIE COUNTY, OHIO**

GOVERNMENTAL ACTIVITIES EXPENSES BY PROGRAM  
AND GENERAL FUND EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

<u>Expenses / Expenditures</u>	<u>2005</u>		<u>2004</u>		<u>2003</u>	
	<u>Full Accrual</u>	<u>Modified Accrual</u>	<u>Full Accrual</u>	<u>Modified Accrual</u>	<u>Full Accrual</u>	<u>Modified Accrual</u>
General government	\$ 16,000,688	\$ 15,644,771	\$ 15,133,450	\$ 14,059,559	\$ 13,972,937	\$ 13,341,324
Public safety	11,123,785	11,600,152	10,883,001	10,068,742	10,114,582	9,628,541
Public works	8,869,473	7,841,642	3,644,897	6,624,106	3,915,623	4,285,703
Health	7,052,513	7,195,669	7,752,486	7,374,286	7,029,247	7,239,228
Human services	13,193,898	13,261,603	13,820,685	13,343,714	14,285,539	14,378,824
Conservation and recreation	119,624	112,977	387,953	367,649	366,444	366,444
Economic development and assistance	5,203,106	5,211,304	805,844	793,539	603,759	603,759
Transportation	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Capital outlay	-	2,961,926	-	5,886,797	-	1,707,902
Debt service	592,492	15,043,649	790,720	4,742,263	636,282	1,675,479
Other / miscellaneous	665	665	806,895	794,574	1,619,823	1,619,823
<b>Total</b>	<u>\$ 62,156,244</u>	<u>\$ 78,874,358</u>	<u>\$ 54,025,931</u>	<u>\$ 64,055,229</u>	<u>\$ 52,544,236</u>	<u>\$ 54,847,027</u>

Source: Erie County Auditor.

Note: Data from fiscal years 1996-2002 represent general fund expenditures.

Data from fiscal years 2003-2005 represent governmental fund modified accrual expenditures and governmental activities full accrual expenses.

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>
\$ 12,089,283	\$ 12,104,759	\$ 12,145,294	\$ 10,761,434	\$ 9,495,865	\$ 8,302,447	\$ 8,525,545
7,531,096	7,883,625	6,987,764	6,278,029	7,395,967	5,800,747	5,643,704
451,217	576,714	1,138,923	629,508	448,888	407,624	187,286
192,630	152,919	137,053	106,644	113,765	149,549	111,203
609,119	508,091	437,553	2,104,627	1,726,794	1,210,666	651,129
378,319	388,186	117,520	113,000	256,102	326,531	371,474
-	-	-	-	-	-	-
-	-	-	29,847	-	-	-
-	-	-	18,570	-	-	-
67,969	-	715,677	745,248	562,385	916,307	14,394
99,876	65,528	64,195	65,529	-	-	-
-	212,465	30,072	1,231,476	465,420	7,014	1,444,751
<u>\$ 21,419,509</u>	<u>\$ 21,892,287</u>	<u>\$ 21,774,051</u>	<u>\$ 22,083,912</u>	<u>\$ 20,465,186</u>	<u>\$ 17,120,885</u>	<u>\$ 16,949,486</u>

**ERIE COUNTY, OHIO**

GOVERNMENTAL ACTIVITIES REVENUES BY SOURCE  
AND GENERAL FUND REVENUES BY SOURCE

LAST TEN FISCAL YEARS

<b>Revenues</b>	<b>2005</b>		<b>2004</b>		<b>2003</b>	
	<b>Full Accrual</b>	<b>Modified Accrual</b>	<b>Full Accrual</b>	<b>Modified Accrual</b>	<b>Full Accrual</b>	<b>Modified Accrual</b>
<b><u>Program revenues</u></b>						
Charges for services and sales	\$ 7,214,234	n/a	\$ 8,183,564	n/a	\$ 10,520,679	n/a
Operating grants and contributions	19,408,078	n/a	18,819,954	n/a	17,670,092	n/a
Capital grants and contributions	250,000	n/a	200,000	n/a	216,512	n/a
<b><u>General revenues</u></b>						
Taxes	24,990,890	\$ 24,977,660	24,627,365	\$ 24,410,270	22,052,763	\$ 22,207,328
Charges for services	-	4,815,339	-	5,320,398	-	5,137,999
Licenses and permits	-	7,375	-	160,800	-	9,738
Fines and forfeitures	-	596,436	-	681,387	-	771,959
Intergovernmental	3,826,400	23,643,032	2,847,235	21,613,136	2,457,921	20,929,831
Special assessments	-	668,825	-	815,600	-	864,855
Investment income	1,637,755	1,637,755	862,142	862,142	1,099,049	957,520
Rental income	-	-	-	143,518	-	163,648
Reimbursements	-	1,407,327	-	1,826,754	-	1,382,082
Other / miscellaneous	2,102,063	2,074,576	468,355	468,355	1,446,627	1,271,515
<b>Total</b>	<b>\$ 59,429,420</b>	<b>\$ 59,828,325</b>	<b>\$ 56,008,615</b>	<b>\$ 56,302,360</b>	<b>\$ 55,463,643</b>	<b>\$ 53,696,475</b>

Source: Erie County Auditor.

Note: Data from fiscal years 1996-2002 represent general fund modified accrual revenues.

Data from fiscal years 2003-2005 represent governmental fund modified accrual revenues and governmental activities full accrual revenues.



<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>	<u>Modified Accrual</u>
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a	n/a
\$ 15,234,846	\$ 14,510,752	\$ 14,357,817	\$ 13,948,058	\$ 13,198,122	\$ 12,433,605	\$ 12,229,588
1,435,962	1,846,460	1,336,575	1,475,458	1,429,798	1,525,036	1,229,001
7,996	7,885	9,097	9,912	10,304	12,027	12,200
715,834	766,045	564,443	519,653	479,475	428,657	474,275
3,393,116	2,897,520	3,214,586	2,823,675	2,966,011	2,546,557	2,023,098
424,758	80,008	50,177	16,629	-	-	-
1,089,657	1,837,799	2,360,961	2,162,012	2,428,958	1,985,130	2,117,606
166,036	177,754	179,154	-	-	-	-
-	-	-	-	-	-	-
<u>1,343,982</u>	<u>911,632</u>	<u>930,921</u>	<u>1,251,774</u>	<u>148,794</u>	<u>33,932</u>	<u>1,357,383</u>
<u>\$ 23,812,187</u>	<u>\$ 23,035,855</u>	<u>\$ 23,003,731</u>	<u>\$ 22,207,171</u>	<u>\$ 20,661,462</u>	<u>\$ 18,964,944</u>	<u>\$ 19,443,151</u>

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**ERIE COUNTY, OHIO**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Current Taxes Levied</b>	<b>Current Taxes Collected</b>	<b>Percent of Current Tax Levy Collected</b>	<b>Delinquent Taxes Collected</b>	<b>Total Taxes Collected</b>	<b>Percent of Total Taxes Collected to Current Taxes Levied</b>	<b>Accumulated Delinquencies</b>
2005	\$ 3,466,196	\$ 3,404,391	98.22%	\$ 162,883	\$ 3,567,274	102.92%	\$ 104,498
2004	3,125,778	3,044,090	97.39%	92,850	3,136,940	100.36%	138,415
2003	3,063,218	2,948,064	96.24%	107,960	3,056,024	99.77%	120,780
2002	3,035,598	2,977,719	98.09%	98,423	3,076,142	101.34%	62,901
2001	3,052,476	2,981,358	96.03%	84,339	3,015,632	98.79%	89,417
2000	2,975,421	2,869,210	96.43%	88,784	2,957,994	99.41%	175,539
1999	2,948,062	2,856,984	96.91%	104,889	2,961,873	100.47%	177,371
1998	2,881,137	2,711,914	94.13%	81,877	2,793,791	96.97%	167,306
1997	2,620,843	2,550,342	97.31%	72,066	2,622,408	100.06%	137,049
1996	2,813,882	2,741,178	97.42%	93,371	2,834,549	100.73%	97,134

Source: Erie County Auditor.

**ERIE COUNTY, OHIO**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Real Property</b>		<b>General Personal Property</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value (1)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value (2)</b>
2005	\$ 1,681,958,360	\$ 4,805,595,314	\$ 201,754,895	\$ 807,019,580
2004	1,681,904,050	4,805,440,143	195,791,782	783,167,128
2003	1,660,905,240	4,745,443,543	193,686,602	774,746,408
2002	1,410,457,570	4,029,878,771	205,392,223	821,568,892
2001	1,354,302,480	3,869,435,657	204,653,773	818,615,092
2000	1,175,836,450	3,359,532,714	195,011,075	780,044,300
1999	1,154,113,100	3,297,466,000	180,529,026	722,116,104
1998	1,014,287,240	2,897,963,543	172,933,838	691,735,352
1997	980,944,740	2,802,699,257	161,143,682	644,574,728
1996	970,247,560	2,772,135,886	156,999,096	376,496,633

Source: Erie County Auditor.

- (1) Real property is assessed at 35% of estimated actual value.
- (2) General personal property is assessed at 25% of estimated actual value.
- (3) Public utility personal property is assessed at 88% of estimated actual value.

<b>Public Utility Personal Property</b>		<b>Total</b>		<b>Percent of Assessed Value to Estimated Actual Value</b>
<b>Assessed Value</b>	<b>Estimated Actual Value (3)</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	
\$ 78,601,130	\$ 89,319,466	\$ 1,962,314,385	\$ 5,701,934,360	34.41%
77,740,000	88,340,909	1,955,435,832	5,676,948,180	34.45%
79,819,050	90,703,466	1,934,410,892	5,610,893,417	34.48%
82,149,870	93,352,125	1,697,999,663	4,944,799,788	34.34%
101,321,800	115,138,409	1,660,278,053	4,803,189,158	34.57%
107,571,880	122,240,773	1,478,419,405	4,261,817,787	34.69%
103,396,910	117,496,489	1,438,039,036	4,137,078,593	34.76%
98,893,220	112,378,659	1,286,114,298	3,702,077,554	34.74%
97,459,610	110,749,557	1,239,548,032	3,558,023,542	34.84%
111,230,030	222,464,460	1,238,476,686	3,371,096,979	36.74%

**ERIE COUNTY, OHIO**

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF ASSESSED VALUATION)

LAST TEN FISCAL YEARS

<u>Government Entity</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
<u>COUNTY</u>				
General Operations	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30
County Board of MRDD	3.00	3.00	3.00	2.50
Senior Citizens Levy	0.50	0.50	0.50	0.50
Bond Retirement	-	-	-	-
Total	<u>5.80</u>	<u>5.80</u>	<u>5.80</u>	<u>5.30</u>
A.D.A.M.H.S. Board	1.00	1.00	1.00	1.00
Health District	1.00	1.00	1.00	1.00
Metro Parks Board	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
TOTAL COUNTY	<u>\$ 8.80</u>	<u>\$ 8.80</u>	<u>\$ 8.80</u>	<u>\$ 8.30</u>
<u>CITIES</u>				
Bellevue City	\$ 6.10	\$ 6.10	\$ 6.10	\$ 6.10
Huron City	4.90	4.90	4.90	4.90
Sandusky City	4.95	4.95	4.95	5.51
Vermilion City	10.75	10.75	10.75	10.75
<u>VILLAGES</u>				
Bay View Village	16.00	16.00	16.00	16.00
Berlin Heights Village	11.50	11.50	11.50	11.50
Castalia Village	10.66	10.66	10.66	10.66
Kelleys Island Village	8.65	8.65	8.65	10.15
Milan Village	8.80	8.80	8.80	8.80
<u>TOWNSHIPS</u>				
Berlin Township	6.30	6.30	6.30	6.30
Florence Township	6.10	6.10	6.10	6.10
Groton Township	5.75	5.75	5.75	5.75
Huron Township	5.14	5.14	5.14	5.14
Margaretta Township	10.65	10.65	10.65	10.65
Milan Township	5.30	5.30	5.30	5.30
Oxford Township	4.50	4.50	4.50	4.50
Perkins Township	10.20	10.20	10.20	10.20
Vermilion Township	4.10	4.10	4.10	4.10
<u>SCHOOL DISTRICTS</u>				
Bellevue CSD	38.80	38.80	38.80	39.30
Berlin-Milan LSD	57.30	57.30	57.30	58.15
EHOVE JVSD	3.95	3.95	3.95	3.95
Firelands LSD	47.49	47.49	47.62	51.09
Huron CSD	66.35	66.35	66.35	66.83
Kelleys Island LSD	15.55	15.55	15.55	16.35
Margaretta LSD	56.80	56.80	56.80	56.80
Monroeville LSD	46.80	46.80	46.90	48.10
Perkins LSD	60.90	60.90	60.90	60.90
Sandusky CSD	70.55	70.55	70.55	65.20
Vermilion LSD	63.35	63.35	63.35	64.00
Western Reserve LSD	34.35	34.35	34.35	34.60

Source: Erie County Auditor.

	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$	2.30	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30	\$ 2.30
	2.50	2.50	2.50	2.50	2.50	2.50
	0.50	0.50	0.50	0.50	-	-
	-	-	-	-	-	-
	<u>5.30</u>	<u>5.30</u>	<u>5.30</u>	<u>5.30</u>	<u>4.80</u>	<u>4.80</u>
	1.00	1.00	1.00	1.00	1.00	1.00
	1.00	1.00	1.00	1.00	1.00	1.00
	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
\$	<u>8.30</u>	<u>8.30</u>	<u>8.30</u>	<u>8.30</u>	<u>7.80</u>	<u>7.80</u>
\$	6.10	\$ 6.10	\$ -	\$ -	\$ -	\$ -
	4.90	4.90	4.90	4.40	4.40	6.80
	5.51	5.51	5.51	4.25	4.25	4.25
	10.75	10.75	10.75	10.75	10.75	10.75
	16.00	16.00	16.00	16.00	16.00	16.00
	11.50	11.50	11.50	11.50	11.50	11.50
	10.66	10.66	10.66	10.66	10.66	10.65
	15.65	18.15	18.15	20.90	20.90	24.50
	8.80	8.80	8.80	8.80	8.80	8.80
	5.30	5.30	5.30	5.30	5.30	5.30
	6.10	6.10	6.10	6.10	6.10	5.10
	5.75	5.75	5.75	5.75	5.75	5.75
	5.14	5.14	5.30	4.80	4.80	4.80
	10.65	10.65	10.65	7.70	7.70	7.70
	5.30	5.30	5.30	5.30	5.30	5.30
	4.50	3.50	3.50	3.50	3.50	3.50
	10.20	10.20	10.20	10.20	10.20	9.95
	4.10	4.10	4.10	3.10	3.10	3.10
	40.00	40.60	-	-	-	-
	58.15	58.26	59.06	58.15	58.15	54.45
	3.95	3.95	3.95	3.95	3.95	3.95
	51.30	52.70	-	-	-	-
	66.83	67.10	68.00	66.76	66.76	61.44
	18.02	18.02	18.82	18.85	18.85	18.85
	56.80	56.80	56.80	49.05	49.05	49.05
	48.50	50.91	-	-	-	-
	60.90	58.00	58.80	59.27	59.27	59.80
	65.20	66.04	66.84	66.84	66.84	63.10
	65.75	65.89	67.54	59.55	59.55	60.35
	34.60	34.98	-	-	-	-

**ERIE COUNTY, OHIO**

**SPECIAL ASSESSMENT LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Current Special Assessments Levied</b>	<b>Total Special Assessments Collected</b>	<b>Percent of Total Special Assessments Collected to Current Special Assessments Levied</b>	<b>Accumulated Delinquencies</b>
2005	\$ 933,407	\$ 858,138	91.94%	\$ 357,585
2004	1,148,300	987,616	86.01%	228,684
2003	1,082,263	963,412	89.02%	208,901
2002	997,134	965,663	96.84%	150,949
2001	861,272	786,209	91.28%	163,420
2000	731,890	733,751	100.25%	179,413
1999	701,735	721,050	102.75%	175,035
1998	749,850	793,015	105.76%	177,873
1997	805,456	810,129	100.58%	194,586
1996	902,574	909,634	100.78%	181,681

Source: Erie County Auditor.



**ERIE COUNTY, OHIO**

CALCULATION OF LEGAL DEBT MARGINS

DECEMBER 31, 2005

**LEGAL VOTED DEBT MARGIN**

<b>Assessed Valuation</b>		\$ 1,962,314,385
Legal voted debt limitation:		
3.0% of assessed valuation not in excess of \$100,000,000	\$ 3,000,000	
1.5% of assessed valuation in excess of \$100,000,000 and not in excess of \$300,000,000	3,000,000	
2.5% of assessed valuation in excess of \$300,000,000	41,557,860	
<b>Legal voted debt limitation</b>		<u>47,557,860</u>
Less: Total long-term debt		(101,257,944)
Add: Exempt long-term debt:		
General obligation bonds	\$ 32,076,000	
Special assessment bonds	2,565,778	
Bond anticipation notes	20,120,000	
OWDA loans	38,117,141	
OPWC loans	539,025	
Total exempt long-term debt		<u>93,417,944</u>
Add: Amount available in debt service funds		<u>383,975</u>
Total net indebtedness subject to legal voted debt margin		<u>(7,456,025)</u>
<b>Legal voted debt margin</b>		<u>\$ 40,101,835</u>

**LEGAL UNVOTED DEBT MARGIN**

<b>Assessed Valuation</b>		\$ 1,962,314,385
Legal unvoted debt limitation:		
1.0% of assessed valuation	\$ 19,623,144	
<b>Legal unvoted debt limitation</b>		<u>19,623,144</u>
Less: Total long-term debt		(101,257,944)
Add: Exempt long-term debt:		
General obligation bonds	\$ 32,076,000	
Special assessment bonds	2,565,778	
Bond anticipation notes	20,120,000	
OWDA loans	38,117,141	
OPWC loans	539,025	
Total exempt long-term debt		<u>93,417,944</u>
Add: Amount available in debt service funds		<u>383,975</u>
Total net indebtedness subject to legal unvoted debt margin		<u>(7,456,025)</u>
<b>Legal unvoted debt margin</b>		<u>\$ 12,167,119</u>

Source: Erie County Auditor.

Note: The legal voted debt limitation is defined by the Ohio Revised Code, sections 133.02 and 133.05.  
The legal unvoted debt limitation is equal to 1.0% of assessed valuation.

**ERIE COUNTY, OHIO**

**RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUATION  
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>Gross General Obligation Bonded Debt (1)</b>	<b>Less: Debt Service Fund Balance</b>	<b>Net General Obligation Bonded Debt</b>	<b>Assessed Valuation</b>	<b>Percent of Net General Obligation Bonded Debt to Assessed Valuation</b>	<b>Population (2)</b>	<b>Net General Obligation Bonded Debt Per Capita</b>
2005	\$ 7,840,000	\$ 383,975	\$ 7,456,025	\$ 1,962,314,385	0.380%	79,551	\$ 93.73
2004	8,425,000	283,669	8,141,331	1,955,435,832	0.416%	79,551	102.34
2003	8,970,000	288,966	8,681,034	1,934,410,892	0.449%	79,551	109.13
2002	9,510,000	294,955	9,215,045	1,697,999,663	0.543%	79,551	115.84
2001	8,869,000	269,374	8,599,626	1,660,278,053	0.518%	79,551	108.10
2000	9,425,800	159,785	9,266,015	1,478,419,405	0.558%	79,551	116.48
1999	9,958,100	202,062	9,756,038	1,438,039,036	0.660%	76,799	127.03
1998	9,656,100	205,114	9,450,986	1,286,114,298	0.657%	76,799	123.06
1997	9,145,000	258,342	8,886,658	1,286,114,298	0.691%	76,799	115.71
1996	8,365,000	(215,011)	8,580,011	1,238,476,686	0.667%	76,799	111.72

Source: Erie County Auditor.

(1) Excludes special assessment bonds, bond anticipation notes, and enterprise debt.

(2) Source: U.S. Census Bureau information is as of December 31, 2000, the latest information available.

**ERIE COUNTY, OHIO**

**RATIO OF TOTAL DEBT SERVICE FOR GENERAL OBLIGATION BONDED DEBT  
TO TOTAL GENERAL FUND EXPENDITURES**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>General Obligation Bonded Debt Principal</b>	<b>General Obligation Bonded Debt Interest</b>	<b>Total Debt Service for General Obligation Bonded Debt</b>	<b>Total General Fund Expenditures (1)</b>	<b>Percent of Total Debt Service to Total General Fund Expenditures</b>
2005	\$ 585,000	\$ 378,382	\$ 963,382	\$ 21,786,538	4.42%
2004	1,105,000	443,500	1,548,500	20,856,724	7.42%
2003	540,000	435,327	975,327	20,858,692	4.68%
2002	470,000	415,929	885,929	21,419,509	4.14%
2001	556,800	439,992	996,792	21,892,287	4.55%
2000	532,300	462,577	994,877	21,774,051	4.57%
1999	498,000	434,405	932,405	22,083,912	4.22%
1998	453,900	777,232	1,231,132	20,465,186	6.02%
1997	270,000	608,947	878,947	17,120,885	5.13%
1996	255,000	823,849	1,078,849	16,949,486	6.37%

Source: Erie County Auditor.

Note: Excludes special assessment bonds, bond anticipation notes, and enterprise debt.

(1) Excludes other financing uses.

**ERIE COUNTY, OHIO**

CALCULATION OF DIRECT AND OVERLAPPING GENERAL OBLIGATION DEBT

DECEMBER 31, 2005

<b>Government Entity</b>	<b>General Obligation Debt</b>	<b>Percent Applicable to County</b>	<b>Amount Applicable to County</b>
Direct G.O. debt:			
Erie County	\$ 7,840,000	100.00%	\$ 7,840,000
Total direct G.O. debt	<u>7,840,000</u>		<u>7,840,000</u>
Overlapping G.O. debt:			
Huron City	5,436,709	100.00%	5,436,709
Huron CSD	3,838,544	100.00%	3,838,544
Sandusky City	22,014,973	100.00%	22,014,973
Sandusky CSD	<u>522,665</u>	100.00%	<u>522,665</u>
Total overlapping G.O. debt	<u>31,812,891</u>		<u>31,812,891</u>
 Total Direct and Overlapping General Obligation Debt	 <u>\$ 39,652,891</u>		 <u>\$ 39,652,891</u>

Source: Erie County Auditor.

**ERIE COUNTY, OHIO**

**ASSESSED VALUATION, NEW CONSTRUCTION, AND FINANCIAL INSTITUTION DEPOSITS**

**LAST TEN FISCAL YEARS**

<b>Fiscal Year</b>	<b>Assessed Valuation</b>	<b>New Construction (1)</b>	<b>Financial Institution Deposits at December 31 (2)</b>
2005	\$ 1,962,314,385	\$ 35,898,420	\$ 592,554,000
2004	1,955,435,832	82,083,000	389,029,000
2003	1,934,410,892	64,776,000	397,016,000
2002	1,697,999,663	74,973,000	434,807,000
2001	1,660,278,053	40,028,000	298,753,000
2000	1,478,419,405	43,677,000	279,070,000
1999	1,438,039,036	33,995,000	304,612,000
1998	1,286,114,298	32,690,000	288,494,000
1997	1,239,548,032	37,189,000	268,944,000
1996	1,238,476,686	35,830,000	245,161,000

Source: Erie County Auditor.

(1) Source: Ohio Department of Development.

(2) Source: Federal Reserve Bank of Cleveland.

**ERIE COUNTY, OHIO**

DEMOGRAPHIC INFORMATION

DECEMBER 31, 2005

Population:

<u>Year</u>	<u>Population</u>
2005	79,551
2000	79,551
1990	76,779
1980	79,655
1970	75,909
1960	68,000
1950	52,565

Distribution:

Male	=	38,766	=	48.73%
Female	=	40,785	=	51.27%

<u>Age</u>	<u>Males</u>		<u>Females</u>	
	<u>Number</u>	<u>Percentage</u>	<u>Number</u>	<u>Percentage</u>
0 - 5 years	2,430	6.27%	2,379	5.83%
6 - 19 years	8,554	22.06%	8,232	20.19%
20 - 29 years	3,943	10.17%	4,179	10.25%
30 - 39 years	5,189	13.39%	5,504	13.50%
40 - 49 years	6,244	16.11%	6,453	15.82%
50 - 59 years	5,106	13.17%	5,295	12.98%
60 - 69 years	3,400	8.77%	3,590	8.80%
70 - 79 years	2,746	7.08%	3,112	7.63%
>80 years	1,154	2.98%	2,041	5.00%
<b>Total</b>	<b>38,766</b>	<b>100.00%</b>	<b>40,785</b>	<b>100.00%</b>

Unemployment:

	<u>Erie County</u>	<u>State of Ohio</u>	<u>United States</u>
2005	5.35%	6.10%	5.50%
2004	5.35%	6.10%	5.50%
2003	5.80%	6.60%	6.10%
2002	5.40%	5.50%	5.40%
2001	6.20%	5.40%	5.50%
2000	4.40%	4.10%	4.00%
1999	4.30%	4.30%	4.20%
1998	4.90%	4.30%	4.50%
1997	5.10%	4.30%	4.40%
1996	5.40%	4.80%	5.00%

Housing:

Total units	=	35,909
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Source: Erie County Auditor.

Note: U.S. Census Bureau information is as of December 31, 2000, the latest information available.

**ERIE COUNTY, OHIO**

**PRINCIPAL TAXPAYERS**

DECEMBER 31, 2005

<b>Taxpayer</b>	<b>Industry</b>	<b>Assessed Valuation</b>	<b>Percent of Total Assessed Valuation</b>
Cedar Fair	Amusement Park	\$ 62,151,510	3.17%
Delphi Automotive Systems, LLC	Automobile Manufacturer	38,080,350	1.94%
Ohio Edison Company	Electric Utility	26,840,020	1.37%
Visteon Corporation	Automotive Parts	25,647,140	1.31%
LMN Development, LLC	Waterpark Resort	15,329,940	0.78%
Norfolk & Western Railway	Railroad	12,374,660	0.63%
The Glidden Company	Paint and Coatings Manufacturer	10,336,980	0.53%
Conagra Foods, Inc.	Food Processing	9,084,980	0.46%
American Transmissions Systems	Transmissions Manufacturer	7,980,710	0.41%
Sandusky Mall Co.	Shopping Mall	7,678,440	0.39%
Great Bear Lodge of Sandusky, LLC	Tourist Resort	7,207,870	0.37%
Certaineed Corp.	Housing Products	7,103,000	0.36%
Sandusky International	Centrifugal Castings	6,985,110	0.36%
S & S Realty Ltd.	Real Estate	6,810,790	0.35%
Ohio Bell Telephone Company	Telephone Company	6,745,120	0.34%
Meijer Stores, Ltd. Ptsnp.	Retail Department Store	6,266,510	0.32%
Lear Operations Corp.	Automotive Interior Supplier	6,220,540	0.32%
BCC Sandusky, LLC	Real Estate	6,085,940	0.31%
Walmart	Retail Department Store	5,753,180	0.29%
Park Place Enterprises	Real Estate	5,580,200	0.28%
FMC Technologies, Inc.	Technology Manufacturer	5,094,230	0.26%
Tenneco Automotive, Inc.	Automotive Manufacturer	5,055,010	0.26%
Sandusky Limited	Automotive Parts	5,043,120	0.26%
Firelands Regional Medical Center	Medical Center	4,480,460	0.23%
Erie County Cablevision, Inc.	Cable	4,468,840	0.23%
All other taxpayers	-	1,657,909,735	84.49%
<b>Total assessed valuation</b>		<b>\$ 1,962,314,385</b>	<b>100.00%</b>

Source: Erie County Auditor.

**ERIE COUNTY, OHIO**

**MISCELLANEOUS STATISTICS**

DECEMBER 31, 2005

Form of government	Board of County Commissioners
Year of incorporation	1838
County seat	Sandusky, Ohio
Area in square miles	254.5
Political subdivisions within the County:	<u>Number</u>
Cities	4
Villages	5
Townships	9
School Districts	11
Vocational School Districts	1
Special Districts	5
Higher education institutions:	<u>Number of students</u>
Bowling Green State University - Firelands branch	1,827
Hospitals:	<u>Number of beds</u>
Firelands Community Hospital	551
Largest employers:	<u>Number of employees</u>
Cedar Point (seasonal)	4,500
Cedar Point (year-round)	390
Firelands Community Hospital	1,750
Visteon Corporation	1,660
Delphi Automotive Systems	1,330
Erie County government	980

Source: Erie County Auditor.



**ERIE COUNTY, OHIO**

**COUNTY AUDITORS**

1838 - PRESENT

Erie County, Ohio was formed March 16, 1838, and the people of Erie County have been served by the following County Auditors:

H. W. Conklin	1838 - 1840
William Neill	1840 - 1841
Orlando McKnight	1841 - 1846
George W. Smith	1846 - 1850
Foster Follett	1850 - 1852
Charles Botsford	1852 - 1856
Foster Follett	1856 - 1860
George W. Smith	1860 - 1867
Ebenezer Merry	1867 - 1882
Thomas McFall	1882 - 1885
William Bonn	1885 - 1891
Louis N. Werner	1891 - 1894
Thomas McFall	1894 - 1896
Charles M. Keyes	1896 - 1897
John R. Gallagher	1897 - 1903
Charles Kubach	1903 - 1909
John Diest	1909 - 1912
Hayes Adams	1912 - 1916
Fred W. Bauer	1916 - 1918
Carl F. Breining	1918 - 1922
Fred W. Bauer	1922 - 1928
George A. Schwer	1928 - 1928
George Oswald	1928 - 1947
Gerald Schweinfurth	1947 - 1982
James W. McKeen	1982 - 1994
Paul D. Strickfaden	1994 - 1998
Jude T. Hammond	1998 - 2004
Connie L. Ward	2005

Source: Erie County Auditor.

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**Mary Taylor, CPA**  
Auditor of State

**FINANCIAL CONDITION**

**ERIE 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  
AUGUST 7, 2007**