

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

OF

ERIE COUNTY, OHIO

FOR THE

FISCAL YEAR ENDED DECEMBER 31, 2006

THOMAS J. PAUL
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, 2006

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ERIE COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006

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THOMAS J. PAUL

ERIE COUNTY AUDITOR

March 19, 2008

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. Monaghan,

I am pleased to present the Erie County (the "County") Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2006. 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 eighteenth 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.

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627-7741

Administrative 627-6650

Estate Tax &
General 627-7746

Real Estate:

Appraisal 627-7787
Assessment 627-7658
CAMA 627-7610
CAUV 627-7743
Homestead 627-7742
Personal Property 627-7742
Mobile Homes 627-7746
Transfers 627-7853
General 627-7746

Payroll 627-7747

Vendor's License 627-7746

Weights &
Measures 627-6650



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

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 2006. 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. He 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 County General Health District, the Erie County Metroparks District, the Erie County Regional Planning Commission, the Erie County Soil and Water Conservation District, the Erie-Ottawa Family and Children First Council, and the Mental Health and Recovery Board of Erie and Ottawa Counties. 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, 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 2006, 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 2006.

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 2006, 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 2006.

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 2006, 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 2006.

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 2006, 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 2006.

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, 2006, 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 2006 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, 2006 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 Chairman 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.

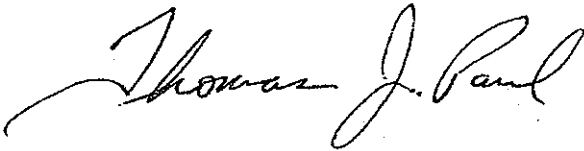
ACKNOWLEDGEMENTS

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 Mrs. Brianne Markley, Fiscal Officer I of Erie County, who was responsible for the oversight of the CAFR project, and to Mr. Alexander J. Fait, Senior Accountant 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,

A handwritten signature in cursive script that reads "Thomas J. Paul". The signature is written in black ink and is positioned above the printed name.

Thomas J. Paul

Erie County Auditor

ERIE COUNTY, OHIO

ELECTED OFFICIALS

DECEMBER 31, 2006

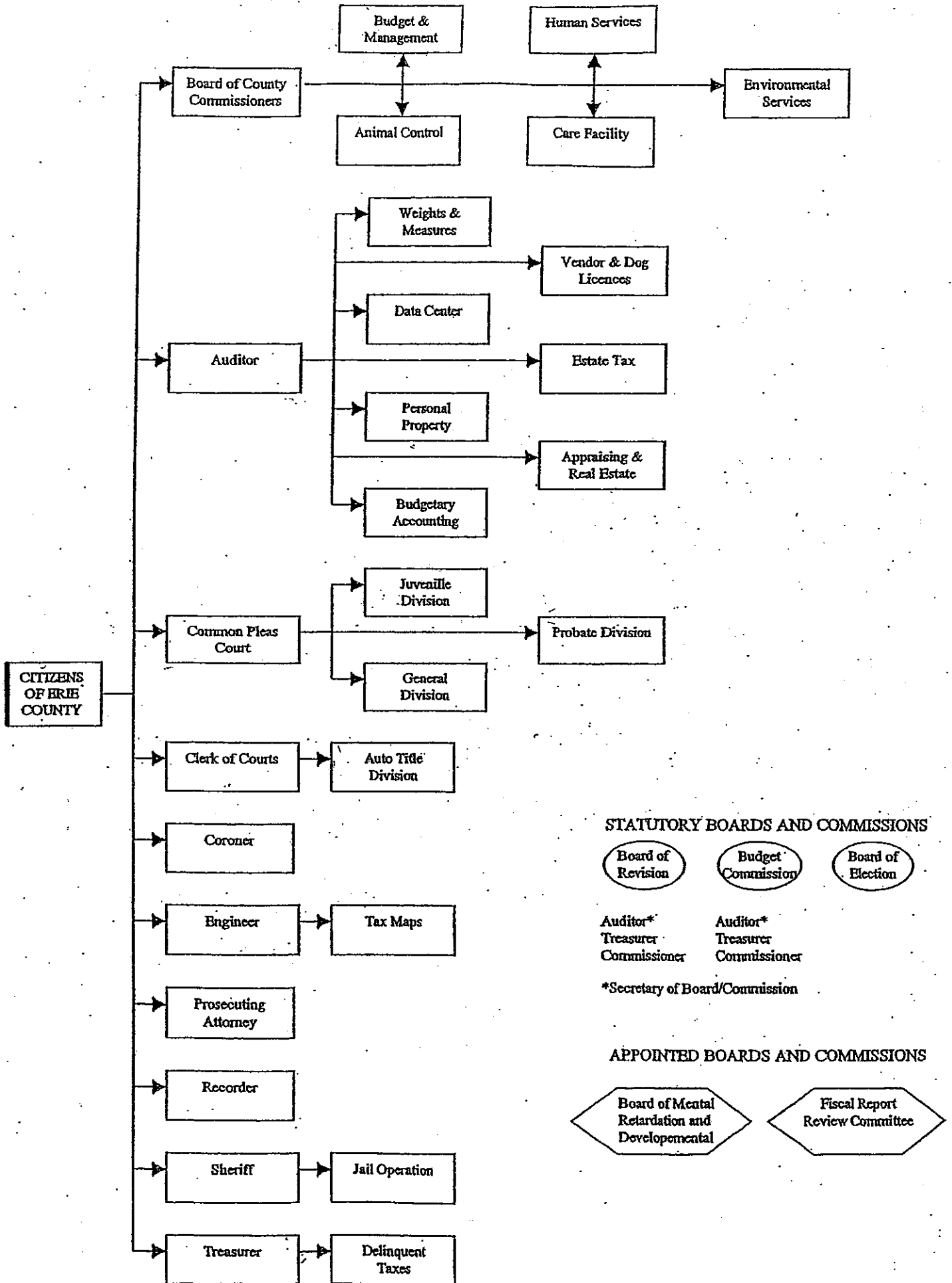
ADMINISTRATORS

Thomas J. Paul.....	Auditor
Barbara J. Johnson.....	Clerk of Courts
Thomas M. Ferrell, Jr.	Commissioner
Nancy C. McKeen.....	Commissioner
William J. Monaghan.....	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, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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, 2006, 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 March 19, 2008 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 considered 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, is 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
March 19, 2008

ERIE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006

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, 2006. 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 2006 are as follows:

- The total net assets of the County increased \$4,343,016. Net assets of governmental activities increased \$6,997,325, which represents a 10.70% increase from fiscal year 2005. Net assets of business-type activities decreased \$2,654,309, which represents a 9.02% decrease from fiscal year 2005.
- General revenues accounted for \$31,430,647, or 47.76%, of total governmental activities revenue. Program specific revenues accounted for \$34,385,659, or 52.24%, of total governmental activities revenue.
- The County had \$58,621,217 in expenses related to governmental activities. \$34,385,659 of these expenses was offset by program specific charges for services, grants, or contributions. General revenues, primarily taxes and intergovernmental grants, of \$31,430,647 were 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 governmental funds. The General fund, the County's largest fund, had revenues and other financing uses of \$27,077,570 in 2006 an increase of \$867,560, or 3.31%, from 2005 revenues. The General fund had expenditures of \$23,109,321 in 2006, an increase of \$1,322,783 from 2005. During 2006, the General fund had transfers out of \$3,770,046. In total, the General fund balance increased \$229,611 from 2005 to 2006.
- The MR/DD fund, a major fund, had revenues of \$7,616,686 in 2006. The MR/DD fund had expenditures of \$7,287,041 in 2006. The MR/DD fund balance increased \$329,645 from 2005 to 2006.
- The Public Assistance fund, a major fund, had revenues of \$9,226,060 in 2006. The Public Assistance fund had expenditures of \$8,859,386 in 2006. The Public Assistance fund had transfers in of \$767,688 in 2006. The Public Assistance fund balance increased \$1,134,362 from 2005 to 2006.
- The Motor Vehicle License and Registration fund, a major fund, had revenues of \$7,635,140 in 2006. The Motor Vehicle License and Registration fund had expenditures of \$6,696,889 in 2006. The Motor Vehicle License and Registration fund balance increased \$962,348 from 2005 to 2006.
- The TIF Projects fund, a major fund, had revenues and other financing sources of \$10,111,296 in 2006. The TIF Projects fund had expenditures of \$11,045,106 in 2006. The TIF Projects fund balance decreased \$933,810 from 2005 to 2006.
- 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 2006 by \$2,654,309, or 9.02%.
- In the General fund, actual revenues came in \$315,561 higher than the budgeted revenues and actual expenditures were \$3,078,856 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, 2006

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 2006?" 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, 2006

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-F73 of this report.

ERIE COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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 2006 and 2005.

	Net Assets					
	Governmental Activities	Governmental Activities	Business-type Activities	Business-type Activities	2006 Total	2005 Total
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<u>Assets</u>						
Current and other assets	\$ 47,834,656	\$ 44,778,897	\$ 18,236,680	\$ 19,769,235	\$ 66,071,336	\$ 64,548,132
Capital assets	<u>65,588,614</u>	<u>62,868,925</u>	<u>114,809,758</u>	<u>106,442,262</u>	<u>180,398,372</u>	<u>169,311,187</u>
Total assets	<u>113,423,270</u>	<u>107,647,822</u>	<u>133,046,438</u>	<u>126,211,497</u>	<u>246,469,708</u>	<u>233,859,319</u>
<u>Liabilities</u>						
Long-term liabilities outstanding	24,696,125	25,964,840	90,103,253	84,577,076	114,799,378	110,541,916
Other liabilities	<u>16,332,485</u>	<u>16,285,647</u>	<u>16,166,259</u>	<u>12,203,186</u>	<u>32,498,744</u>	<u>28,488,833</u>
Total liabilities	<u>41,028,610</u>	<u>42,250,487</u>	<u>106,269,512</u>	<u>96,780,262</u>	<u>147,298,122</u>	<u>139,030,749</u>
<u>Net Assets</u>						
Invested in capital assets, net of related debt	43,555,669	38,513,147	33,583,229	29,061,612	77,138,898	67,574,759
Restricted	18,354,932	16,285,955	-	-	18,354,932	16,285,955
Unrestricted	<u>10,484,059</u>	<u>10,598,233</u>	<u>(6,806,303)</u>	<u>369,623</u>	<u>3,677,756</u>	<u>10,967,856</u>
Total net assets	<u>\$ 72,394,660</u>	<u>\$ 65,397,335</u>	<u>\$ 26,776,926</u>	<u>\$ 29,431,235</u>	<u>\$ 99,171,586</u>	<u>\$ 94,828,570</u>

Over time, net assets can serve as a useful indicator of a government's financial position. At December 31, 2006, the County's assets exceeded liabilities by \$99,171,586. This amounts to \$72,394,660 in governmental activities and \$26,776,926 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 73.19% 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, 2006, were \$77,138,898. 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, \$18,354,932, or 18.51%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of governmental-activities unrestricted net assets of \$10,484,059 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, 2006**

The table below shows the changes in net assets for governmental activities and business-type activities for 2006 compared to 2005.

	Governmental Activities <u>2006</u>	Governmental Activities <u>2005</u>	Business-type Activities <u>2006</u>	Business-type Activities <u>2005</u>	2006 Total	2005 Total
Revenues						
Program revenues:						
Charges for services and sales	\$ 9,426,825	\$ 7,214,234	\$ 26,816,019	\$ 26,403,271	\$ 36,242,844	\$ 33,617,505
Operating grants and contributions	24,958,834	19,408,078	3,937,409	180,513	28,896,243	19,588,591
Capital grants and contributions	-	250,000	4,337,514	25,805	4,337,514	275,805
Total program revenues	<u>34,385,659</u>	<u>26,872,312</u>	<u>35,090,942</u>	<u>26,609,589</u>	<u>69,476,601</u>	<u>53,481,901</u>
General revenues:						
Property taxes	12,980,309	11,079,309	-	-	12,980,309	11,079,309
Sales tax	14,173,097	13,911,581	-	-	14,173,097	13,911,581
Unrestricted grants	656,531	3,826,400	-	-	656,531	3,826,400
Investment earnings	2,589,340	1,637,755	81,256	1,222	2,670,596	1,638,977
Other	1,031,370	2,102,063	376,361	511,228	1,407,731	2,613,291
Total general revenues	<u>31,430,647</u>	<u>32,557,108</u>	<u>457,617</u>	<u>512,450</u>	<u>31,888,264</u>	<u>33,069,558</u>
Total revenues	<u>65,816,306</u>	<u>59,429,420</u>	<u>35,548,559</u>	<u>27,122,039</u>	<u>101,364,865</u>	<u>86,551,459</u>
Program Expenses:						
General government	19,284,698	16,000,688	-	-	19,284,698	16,000,688
Public safety	10,177,442	11,123,785	-	-	10,177,442	11,123,785
Public works	4,008,180	8,869,473	-	-	4,008,180	8,869,473
Health	8,332,023	7,052,513	-	-	8,332,023	7,052,513
Human services	14,465,802	13,193,898	-	-	14,465,802	13,193,898
Conservation and recreation	-	119,624	-	-	-	119,624
Economic development	1,146,781	5,203,106	-	-	1,146,781	5,203,106
Other	301,971	665	-	-	301,971	665
Interest and fiscal charges	904,320	592,492	-	-	904,320	592,492
Sewer	-	-	16,299,710	8,007,501	16,299,710	8,007,501
Water	-	-	8,464,381	8,900,896	8,464,381	8,900,896
Landfill	-	-	5,182,822	9,845,410	5,182,822	9,845,410
County care facility	-	-	8,453,719	8,106,692	8,453,719	8,106,692
Total expenses	<u>58,621,217</u>	<u>62,156,244</u>	<u>38,400,632</u>	<u>34,860,499</u>	<u>97,021,849</u>	<u>97,016,743</u>
Transfers	<u>(197,764)</u>	<u>(238,001)</u>	<u>197,764</u>	<u>238,001</u>	<u>-</u>	<u>-</u>
Change in net assets	6,997,325	(2,964,825)	(2,654,309)	(7,500,459)	4,343,016	(10,465,284)
Net assets at beginning 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>
Net assets at end of year	<u>\$ 72,394,660</u>	<u>\$ 65,397,335</u>	<u>\$ 26,776,926</u>	<u>\$ 29,431,235</u>	<u>\$ 99,171,586</u>	<u>\$ 94,828,570</u>

ERIE COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

Governmental Activities

Governmental activities net assets increased by \$6,997,325 in 2006 from 2005. This increase is due to increased revenues and decreased expenses from 2006 to 2005.

Human services expenses, which support the operations of the Public Assistance fund, account for \$14,465,802, or 24.68%, of total governmental expenses of the County. Human services expenses were partially funded by \$1,199,820 in charges for services and \$11,823,141 in operating grants and contributions. General government expenses, which include legislative and executive programs and judicial programs, account for \$19,284,698, or 32.90%, of total governmental expenses. General government expenses were partially funded by \$4,505,109 of charges for services in 2006.

The state and federal government contributed to the County revenues of \$24,958,834 in operating grants and contributions for 2006. These revenues are restricted to a particular program or purpose. Of the total operating grants and contributions \$11,823,141, or 47.37%, subsidized human services programs.

General revenues totaled \$31,430,647 and amounted to 47.76% of total revenues. These revenues primarily consist of property taxes and sales taxes of \$25,410,906, or 80.85%, of total general revenues in 2006. The other primary source of general revenues is grants and entitlements not restricted to specific programs, equaling \$2,399,031, or 7.63%, 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 2006 compared to 2005. 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>2006</u>	Net Cost of Services <u>2006</u>	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>
Program Expenses:				
General government	\$ 19,284,698	\$ 14,418,562	\$ 16,000,688	\$ 12,330,672
Public safety	10,177,442	6,553,504	11,123,785	7,419,124
Public works	4,008,180	(3,635,097)	8,869,473	2,407,228
Health	8,332,023	4,477,335	7,052,513	4,223,036
Human services	14,465,802	1,442,841	13,193,898	3,724,087
Conservation and recreation	-	-	119,624	103,590
Economic development and assistance	1,146,781	361,912	5,203,106	4,833,676
Other	301,971	245,730	665	(349,183)
Interest and fiscal charges	<u>904,320</u>	<u>370,771</u>	<u>592,492</u>	<u>591,702</u>
Total	<u>\$ 58,621,217</u>	<u>\$ 24,235,558</u>	<u>\$ 62,156,244</u>	<u>\$ 35,283,932</u>

The dependence upon general revenues for governmental activities is apparent, with 41.34% of expenses supported through taxes and other general revenues during 2006.

ERIE COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

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 \$35,548,559 and expenses of \$38,400,632 for fiscal year 2006. The net assets of the business-type activities decreased \$2,654,309 for fiscal year 2006.

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 \$26,018,341, which is \$2,091,315 above last year's total of \$23,927,026. The schedule below indicates the fund balance and the total change in fund balance as of December 31, 2006 for all major and nonmajor governmental funds.

	Fund Balance December 31, 2006	Fund Balance (Deficit) December 31, 2005	Increase (Decrease)
Major Funds:			
General	\$ 9,287,054	\$ 9,057,443	\$ 229,611
MR/DD	2,810,066	2,480,421	329,645
Public Assistance	110,106	(1,024,256)	1,134,362
Motor Vehicle License and Registration	3,930,844	2,968,496	962,348
TIF Projects	768,298	1,702,108	(933,810)
Nonmajor Governmental Funds	<u>9,111,973</u>	<u>8,742,814</u>	<u>369,159</u>
Total	<u>\$ 26,018,341</u>	<u>\$ 23,927,026</u>	<u>\$ 2,091,315</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 \$9,287,054, a 2.54% increase from 2005. The increase of the General fund balance in 2006 was primarily due to an increase in revenues of 3.31% in 2006 compared to 2005 and an increase in expenditures in 2006.

MR/DD Fund

The MR/DD fund, a major fund, had revenues of \$7,616,686 in 2006. The MR/DD fund had expenditures of \$7,287,041 in 2006. The MR/DD fund balance increased \$329,645 from 2005 to 2006.

ERIE COUNTY, OHIO

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2006

Public Assistance Fund

The Public Assistance fund, a major fund, had revenues of \$9,226,060 in 2006. The Public Assistance fund had expenditures of \$8,859,386 in 2006. The Public Assistance fund had transfers in of \$767,688 in 2006. The Public Assistance fund balance increased \$1,134,362 from 2005 to 2006.

Motor Vehicle License and Registration Fund

The Motor Vehicle License and Registration fund, a major fund, had revenues of \$7,635,140 in 2006. The Motor Vehicle License and Registration fund had expenditures of \$6,696,889 in 2006. The Motor Vehicle License and Registration fund balance increased \$962,348 from 2005 to 2006.

TIF Projects Fund

The TIF Projects fund, a major fund, had revenues and other financing sources of \$10,111,296 in 2006. The TIF Projects fund had expenditures of \$11,045,106 in 2006. The TIF Projects fund balance decreased \$933,810 from 2005 to 2006.

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 \$27,417,561 were more than final budgeted revenues by \$315,561. Actual expenditures of \$26,968,406 were less than final budgeted expenditures by \$3,078,856.

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 2006, the County had \$180,398,372 (net of accumulated depreciation) invested in land, land improvements, buildings and improvements, equipment and machinery, vehicles, and infrastructure. Of this total, \$65,588,614 was reported in governmental activities and \$114,809,758 was reported in business-type activities.

ERIE COUNTY, OHIO

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2006**

The following table shows fiscal 2006 balances compared to 2005:

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Land	\$ 2,125,082	\$ 2,125,082	\$ 2,434,459	\$ 2,434,459	\$ 4,559,541	\$ 4,559,541
Land improvements	824,807	878,627	4,501,260	1,818,228	5,326,067	2,696,855
Buildings	28,175,169	29,081,252	20,307,149	23,899,740	48,482,318	52,980,992
Machinery and equipment	3,669,995	2,949,092	3,340,745	3,529,089	7,010,740	6,478,181
Vehicles	1,464,671	1,347,124	387,544	248,745	1,852,215	1,595,869
Infrastructure	29,328,890	26,487,748	83,838,601	74,512,001	113,167,491	100,999,749
Total	\$ 65,588,614	\$ 62,868,925	\$ 114,809,758	\$ 106,442,262	\$ 180,398,372	\$ 169,311,187

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

Debt Administration

At December 31, 2006 the County had a total of \$119,799,378 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, \$23,599,932 is due within one year and \$96,199,446 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 2006</u>	<u>Business-Type Activities 2006</u>
Long-Term Obligations:		
General obligation bonds	\$ 7,244,508	\$ 30,751,443
Special assessment bonds	1,077,448	1,120,000
OWDA loans	-	44,013,072
OPWC loans	-	451,317
Bond anticipation notes	13,675,000	5,000,000
Capital lease obligation	40,497	317,140
Landfill closure and postclosure care liability	-	12,901,717
Compensated absences	2,658,672	548,564
Total	\$ 24,696,125	\$ 95,103,253

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, 2006

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 2006 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 2007 budget are \$25,032,858. These economic factors were considered in preparing the County's budget for fiscal year 2007.

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 Fiscal Officer, 247 Columbus Avenue, Sandusky, Ohio, 44870.

BASIC
FINANCIAL STATEMENTS

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ERIE COUNTY, OHIO

STATEMENT OF NET ASSETS
DECEMBER 31, 2006

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	
Assets:				
Equity in pooled cash and cash equivalents	\$ 24,330,731	\$ 14,439,517	\$ 38,770,248	\$ -
Cash in segregated accounts	-	-	-	172,152
Receivables (net of allowances for uncollectibles):				
Real estate and other taxes	12,840,596	-	12,840,596	-
Sales taxes	3,073,563	-	3,073,563	-
Accounts	155,000	2,455,905	2,610,905	13,106
Special assessments	1,080,346	969,167	2,049,513	-
Loans	235,045	-	235,045	-
Accrued interest	95	-	95	-
Due from other governments	5,827,973	-	5,827,973	-
Materials and supplies inventory	115,652	201,774	317,426	-
Internal balances	166,818	(166,818)	-	-
Unamortized bond issuance costs	8,837	337,135	345,972	-
Capital assets:				
Land	2,125,082	2,434,459	4,559,541	-
Depreciable capital assets, net	63,463,532	112,375,299	175,838,831	32,073
Total capital assets, net	65,588,614	114,809,758	180,398,372	32,073
Total assets	<u>113,423,270</u>	<u>133,046,438</u>	<u>246,469,708</u>	<u>217,331</u>
Liabilities:				
Accounts payable	900,743	245,730	1,146,473	3,740
Contracts payable	334,225	8,867,076	9,201,301	-
Retainage payable	10,803	170,719	181,522	-
Accrued wages and benefits payable	934,317	304,215	1,238,532	7,822
Pension benefit obligation payable	261,343	74,138	335,481	-
Due to other governments	227,640	374,565	602,205	-
Unearned revenue	12,177,194	-	12,177,194	-
Claims payable	1,053,916	-	1,053,916	-
Amount to be repaid to claimants	26,206	-	26,206	-
Accrued interest payable	406,098	1,129,816	1,535,914	-
Notes payable	-	5,000,000	5,000,000	-
Long-term liabilities:				
Due within one year	15,272,691	3,327,241	18,599,932	3,916
Due in more than one year	9,423,434	86,776,012	96,199,446	-
Total liabilities	<u>41,028,610</u>	<u>106,269,512</u>	<u>147,298,122</u>	<u>15,478</u>
Net assets:				
Invested in capital assets, net of related debt	43,555,669	33,583,229	77,138,898	-
Restricted for:				
Capital projects	1,400,666	-	1,400,666	-
Debt service	890,034	-	890,034	-
Public safety programs	2,261,677	-	2,261,677	-
Public works projects	5,290,375	-	5,290,375	-
Health programs	3,543,787	-	3,543,787	-
Economic development projects	656,488	-	656,488	-
Other purposes	4,311,905	-	4,311,905	3,468
Unrestricted	10,484,059	(6,806,303)	3,677,756	198,385
Total net assets	<u>\$ 72,394,660</u>	<u>\$ 26,776,926</u>	<u>\$ 99,171,586</u>	<u>\$ 201,853</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

ERIE COUNTY, OHIO

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General government:				
Legislative and executive	\$ 12,405,267	\$ 2,927,126	\$ 355,622	\$ -
Judicial	6,879,431	1,577,983	5,405	-
Public safety	10,177,442	1,371,915	2,252,023	-
Public works	4,008,180	400,296	7,242,981	-
Health	8,332,023	1,299,972	2,554,716	-
Human services	14,465,802	1,199,820	11,823,141	-
Economic development and assistance	1,146,781	84,923	699,946	-
Other.	301,971	31,241	25,000	-
Interest and fiscal charges	904,320	533,549	-	-
Total governmental activities.	<u>58,621,217</u>	<u>9,426,825</u>	<u>24,958,834</u>	<u>-</u>
Business-Type Activities:				
Sewer	16,299,710	7,385,797	3,725,459	10,119
Water	8,464,381	7,653,276	211,950	4,327,395
Landfill	5,182,822	3,962,796	-	-
County Care Facility	8,453,719	7,814,150	-	-
Total business-type activities	<u>38,400,632</u>	<u>26,816,019</u>	<u>3,937,409</u>	<u>4,337,514</u>
Total primary government.	<u>\$ 97,021,849</u>	<u>\$ 36,242,844</u>	<u>\$ 28,896,243</u>	<u>\$ 4,337,514</u>
Component Unit:				
Double S Industries.	<u>\$ 472,202</u>	<u>\$ 217,559</u>	<u>\$ 219,818</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

Net assets at end of year.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

Net (Expense) Revenue and Changes in Net Assets

Primary Government			
Governmental Activities	Business-Type Activities	Total	Component Unit
\$ (9,122,519)	\$ -	\$ (9,122,519)	\$ -
(5,296,043)	-	(5,296,043)	-
(6,553,504)	-	(6,553,504)	-
3,635,097	-	3,635,097	-
(4,477,335)	-	(4,477,335)	-
(1,442,841)	-	(1,442,841)	-
(361,912)	-	(361,912)	-
(245,730)	-	(245,730)	-
<u>(370,771)</u>	<u>-</u>	<u>(370,771)</u>	<u>-</u>
<u>(24,235,558)</u>	<u>-</u>	<u>(24,235,558)</u>	<u>-</u>
-	(5,178,335)	(5,178,335)	-
-	3,728,240	3,728,240	-
-	(1,220,026)	(1,220,026)	-
<u>-</u>	<u>(639,569)</u>	<u>(639,569)</u>	<u>-</u>
<u>-</u>	<u>(3,309,690)</u>	<u>(3,309,690)</u>	<u>-</u>
<u>(24,235,558)</u>	<u>(3,309,690)</u>	<u>(27,545,248)</u>	<u>\$ -</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,825)</u>
5,664,832	-	5,664,832	-
4,782,238	-	4,782,238	-
790,739	-	790,739	-
14,173,097	-	14,173,097	-
2,399,031	-	2,399,031	-
2,589,340	81,256	2,670,596	4,899
<u>1,031,370</u>	<u>376,361</u>	<u>1,407,731</u>	<u>3,197</u>
<u>31,430,647</u>	<u>457,617</u>	<u>31,888,264</u>	<u>8,096</u>
<u>(197,764)</u>	<u>197,764</u>	<u>-</u>	<u>-</u>
6,997,325	(2,654,309)	4,343,016	(26,729)
<u>65,397,335</u>	<u>29,431,235</u>	<u>94,828,570</u>	<u>228,582</u>
<u>\$ 72,394,660</u>	<u>\$ 26,776,926</u>	<u>\$ 99,171,586</u>	<u>\$ 201,853</u>

ERIE COUNTY, OHIO

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2006

	<u>General</u>	<u>MR/DD</u>	<u>Public Assistance</u>	<u>Motor Vehicle License & Registration</u>
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,645,268	\$ 2,730,735	\$ 32,463	\$ 3,378,029
Receivables (net of allowance for uncollectibles):				
Real estate and other taxes	5,805,362	5,919,442	-	-
Sales taxes	3,073,563	-	-	-
Accounts	93,523	-	-	11,102
Special assessments	179,957	-	-	-
Interfund loans	-	-	-	-
Loans	112,616	-	-	-
Accrued interest	10	-	-	-
Due from other governments	1,567,788	648,002	464,990	2,624,059
Due from other funds	93,432	-	-	838
Loans to other funds	6,401	-	-	-
Materials and supplies inventory	45,897	-	-	69,755
Total assets	<u>\$ 18,623,817</u>	<u>\$ 9,298,179</u>	<u>\$ 497,453</u>	<u>\$ 6,083,783</u>
Liabilities:				
Accounts payable	\$ 257,755	\$ 62,697	\$ 68,372	\$ 297,018
Contracts payable	-	-	-	213,876
Accrued wages and benefits payable	532,290	71,814	116,033	94,956
Compensated absences payable	35,966	-	3,972	-
Retainage payable	-	-	-	10,803
Pension benefit obligation payable	172,751	10,599	69,995	2,515
Interfund loans payable	112,616	-	-	-
Loans from other funds	-	-	-	-
Due to other funds	5,549	7,790	40,658	7,775
Due to other governments	101,666	18,543	88,164	-
Deferred revenue	8,091,964	6,316,670	153	1,525,996
Amount to be repaid to claimants	26,206	-	-	-
Total liabilities	<u>9,336,763</u>	<u>6,488,113</u>	<u>387,347</u>	<u>2,152,939</u>
Fund Balances:				
Reserved for materials and supplies inventory	45,897	-	-	69,755
Reserved for debt service	-	-	-	-
Reserved for loans receivable	112,616	-	-	-
Reserved for loans to other funds	6,401	-	-	-
Unreserved:				
Designated for budget stabilization	1,187,567	-	-	-
Undesignated fund balance reported in:				
General fund	7,934,573	-	-	-
Special revenue funds	-	2,810,066	110,106	3,861,089
Capital projects funds	-	-	-	-
Total fund balances	<u>9,287,054</u>	<u>2,810,066</u>	<u>110,106</u>	<u>3,930,844</u>
Total liabilities and fund balances	<u>\$ 18,623,817</u>	<u>\$ 9,298,179</u>	<u>\$ 497,453</u>	<u>\$ 6,083,783</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TIF Projects	Other Governmental Funds	Total Governmental Funds
\$ 768,298	\$ 8,853,880	\$ 23,408,673
-	1,115,792	12,840,596
-	-	3,073,563
-	50,375	155,000
666,344	234,045	1,080,346
-	112,616	112,616
-	122,429	235,045
-	85	95
-	523,134	5,827,973
-	34,444	128,714
-	-	6,401
-	-	115,652
<u>\$ 1,434,642</u>	<u>\$ 11,046,800</u>	<u>\$ 46,984,674</u>
\$ -	\$ 208,626	\$ 894,468
-	120,349	334,225
-	119,224	934,317
-	-	39,938
-	-	10,803
-	5,483	261,343
-	20,000	132,616
-	6,401	6,401
-	28,007	89,779
-	19,267	227,640
666,344	1,407,470	18,008,597
-	-	26,206
<u>666,344</u>	<u>1,934,827</u>	<u>20,966,333</u>
-	-	115,652
-	687,501	687,501
-	122,429	235,045
-	-	6,401
-	-	1,187,567
-	-	7,934,573
-	7,993,728	14,774,989
768,298	308,315	1,076,613
<u>768,298</u>	<u>9,111,973</u>	<u>26,018,341</u>
<u>\$ 1,434,642</u>	<u>\$ 11,046,800</u>	<u>\$ 46,984,674</u>

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ERIE COUNTY, OHIO

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2006

Total governmental fund balances		\$ 26,018,341
<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.		65,588,614
Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.		
Property taxes	\$ 655,906	
Sales taxes	1,222,740	
Special assessments	1,080,346	
Intergovernmental revenues	<u>2,872,411</u>	
Total		5,831,403
In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.		(406,098)
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.		9,750
Unamortized bond issuance costs are not recognized in the funds		8,837
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	7,244,508	
Special assessments bonds	1,077,448	
Bond anticipation notes	13,675,000	
Capital lease obligation	40,497	
Compensated absences payable	<u>2,618,734</u>	
Total		<u>(24,656,187)</u>
Net assets of governmental activities		<u><u>\$ 72,394,660</u></u>

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, 2006

	<u>General</u>	<u>MR/DD</u>	<u>Public Assistance</u>	<u>Motor Vehicle License & Registration</u>
Revenues:				
Property taxes	\$ 5,571,200	\$ 4,705,941	\$ -	\$ -
Sales taxes	12,448,397	-	-	-
Charges for services	1,201,676	381,437	316,074	126,069
Licenses and permits	342,304	-	-	10,573
Fines and forfeitures	403,246	-	-	144,588
Intergovernmental	2,341,943	2,305,335	8,901,544	7,150,822
Special assessments	146,615	-	-	-
Investment income	2,253,526	584	-	173,065
Rental income	222,173	-	-	-
Reimbursements	1,685,291	163,485	20	27,075
Other	385,630	59,904	8,422	2,948
Total revenues	<u>27,002,001</u>	<u>7,616,686</u>	<u>9,226,060</u>	<u>7,635,140</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	8,966,928	-	-	-
Judicial	6,320,658	-	-	-
Public safety	6,529,799	-	-	-
Public works	75,381	-	-	6,696,889
Health	142,964	7,287,041	-	-
Human services	481,466	-	8,818,055	-
Economic development and assistance	383,492	-	-	-
Other	154,115	-	41,331	-
Capital outlay	46,770	-	-	-
Debt service:				
Principal retirement	6,273	-	-	-
Interest and fiscal charges	1,475	-	-	-
Total expenditures	<u>23,109,321</u>	<u>7,287,041</u>	<u>8,859,386</u>	<u>6,696,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,892,680</u>	<u>329,645</u>	<u>366,674</u>	<u>938,251</u>
Other financing sources (uses):				
Proceeds from sale of bonds	-	-	-	-
Issuance of notes	-	-	-	-
Proceeds from sale of capital assets	28,799	-	-	-
Capital lease transaction	46,770	-	-	-
Transfers in	-	-	767,688	-
Transfers out	(3,770,046)	-	-	-
Total other financing sources (uses)	<u>(3,694,477)</u>	<u>-</u>	<u>767,688</u>	<u>-</u>
Net change in fund balances	198,203	329,645	1,134,362	938,251
Fund balances (deficit) at beginning of year	9,057,443	2,480,421	(1,024,256)	2,968,496
Increase in reserve for inventory	31,408	-	-	24,097
Fund balances at end of year	<u>\$ 9,287,054</u>	<u>\$ 2,810,066</u>	<u>\$ 110,106</u>	<u>\$ 3,930,844</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

TIF Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 770,833	\$ 11,047,974
-	1,613,340	14,061,737
-	2,233,987	4,259,243
-	227,525	580,402
-	255,711	803,545
-	6,560,495	27,260,139
-	506,173	652,788
85,880	76,285	2,589,340
-	-	222,173
-	338,349	2,214,220
416	574,050	1,031,370
<u>86,296</u>	<u>13,156,748</u>	<u>64,722,931</u>
-	2,673,882	11,640,810
-	110,461	6,431,119
-	3,062,718	9,592,517
-	-	6,772,270
-	592,778	8,022,783
-	4,373,421	13,672,942
-	717,827	1,101,319
-	60,344	255,790
197,606	1,566,105	1,810,481
10,500,000	5,593,855	16,100,128
347,500	491,032	840,007
<u>11,045,106</u>	<u>19,242,423</u>	<u>76,240,166</u>
<u>(10,958,810)</u>	<u>(6,085,675)</u>	<u>(11,517,235)</u>
-	55,525	55,525
10,025,000	3,650,000	13,675,000
-	-	28,799
-	-	46,770
-	3,347,073	4,114,761
-	(597,764)	(4,367,810)
<u>10,025,000</u>	<u>6,454,834</u>	<u>13,553,045</u>
(933,810)	369,159	2,035,810
1,702,108	8,742,814	23,927,026
-	-	55,505
<u>\$ 768,298</u>	<u>\$ 9,111,973</u>	<u>\$ 26,018,341</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, 2006

Net change in fund balances - total governmental funds	\$ 2,035,810
<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 (\$6,050,752) exceeded depreciation expense (\$3,234,883) in the current period.	2,815,869
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.	(96,180)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,093,375
Governmental funds report expenditures for inventory when purchased. However in the statement of activities, they are reported as an expense when consumed.	55,505
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.	(13,777,295)
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.	16,100,128
In the statement of activities, interest is accrued on outstanding bonds and notes, whereas in governmental funds, interest is reported when due.	(64,313)
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.	(1,030,569)
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.	(135,005)
Change in net assets of governmental activities	\$ <u>6,997,325</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)
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Property taxes	\$ 7,161,094	\$ 7,161,094	\$ 7,244,474	\$ 83,380
Sales taxes.	12,203,199	12,203,199	12,345,286	142,087
Charges for services.	1,547,552	1,547,552	1,565,571	18,019
Licenses and permits	6,459	6,459	6,534	75
Fines and forfeitures	407,274	407,274	412,016	4,742
Intergovernmental.	930,835	930,835	941,673	10,838
Special assessments	144,927	144,927	146,615	1,688
Rental income	219,616	219,616	222,173	2,557
Reimbursements.	1,664,185	1,664,185	1,683,562	19,377
Investment income	2,300,480	2,300,480	2,327,266	26,786
Other	423,659	423,659	428,592	4,933
Total revenues.	<u>27,009,280</u>	<u>27,009,280</u>	<u>27,323,762</u>	<u>314,482</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	9,638,268	10,111,949	9,075,807	1,036,142
Judicial.	6,796,486	7,130,505	6,399,863	730,642
Public safety	6,860,545	7,197,713	6,460,184	737,529
Public works	74,023	77,661	69,703	7,958
Health	107,315	112,589	101,052	11,537
Human services	519,458	544,987	489,144	55,843
Economic development and assistance	407,258	427,273	383,492	43,781
Other	33,043	34,667	31,115	3,552
Total expenditures	<u>24,436,396</u>	<u>25,637,344</u>	<u>23,010,360</u>	<u>2,626,984</u>
Excess of revenues over expenditures	<u>2,572,884</u>	<u>1,371,936</u>	<u>4,313,402</u>	<u>2,941,466</u>
Other financing sources (uses):				
Transfers in.	64,252	64,252	65,000	748
Transfers out	(4,203,341)	(4,409,918)	(3,958,046)	451,872
Sale of capital assets	28,468	28,468	28,799	331
Total other financing sources (uses)	<u>(4,110,621)</u>	<u>(4,317,198)</u>	<u>(3,864,247)</u>	<u>452,951</u>
Net change in fund balance.	(1,537,737)	(2,945,262)	449,155	3,394,417
Fund balance at beginning of year	6,166,054	6,166,054	6,166,054	-
Prior year encumbrances appropriated	<u>910,703</u>	<u>910,703</u>	<u>910,703</u>	<u>-</u>
Fund balance at end of year	<u>\$ 5,539,020</u>	<u>\$ 4,131,495</u>	<u>\$ 7,525,912</u>	<u>\$ 3,394,417</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 4,701,665	\$ 4,800,039	\$ 4,620,746	\$ (179,293)
Charges for services	388,117	396,238	381,437	(14,801)
Intergovernmental	2,358,354	2,407,698	2,317,765	(89,933)
Reimbursements	208,083	212,437	204,502	(7,935)
Investment income	579	591	569	(22)
Other	60,989	62,266	59,940	(2,326)
Total revenues	<u>7,717,787</u>	<u>7,879,269</u>	<u>7,584,959</u>	<u>(294,310)</u>
Expenditures:				
Current:				
Health	<u>8,165,761</u>	<u>8,597,011</u>	<u>7,332,440</u>	<u>1,264,571</u>
Total expenditures	<u>8,165,761</u>	<u>8,597,011</u>	<u>7,332,440</u>	<u>1,264,571</u>
Net change in fund balance.	(447,974)	(717,742)	252,519	970,261
Fund balance at beginning of year	1,609,626	1,609,626	1,609,626	-
Prior year encumbrances appropriated	<u>726,190</u>	<u>726,190</u>	<u>726,190</u>	<u>-</u>
Fund balance at end of year	<u>\$ 1,887,842</u>	<u>\$ 1,618,074</u>	<u>\$ 2,588,335</u>	<u>\$ 970,261</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 390,840	\$ 454,912	\$ 411,083	\$ (43,829)
Intergovernmental	8,021,250	9,336,209	8,436,707	(899,502)
Reimbursements	19	22	20	(2)
Other	5,647	6,573	5,940	(633)
Total revenues	<u>8,417,756</u>	<u>9,797,716</u>	<u>8,853,750</u>	<u>(943,966)</u>
Expenditures:				
Current:				
Human services	8,496,851	9,902,423	9,038,261	864,162
Total expenditures	<u>8,496,851</u>	<u>9,902,423</u>	<u>9,038,261</u>	<u>864,162</u>
Deficiency of revenues under expenditures.	<u>(79,095)</u>	<u>(104,707)</u>	<u>(184,511)</u>	<u>(79,804)</u>
Other financing sources:				
Transfers in.	729,884	849,537	767,688	(81,849)
Transfers out	(38,855)	(45,283)	(41,331)	3,952
Other financing sources	2,360	2,747	2,482	(265)
Total other financing sources	<u>693,389</u>	<u>807,001</u>	<u>728,839</u>	<u>(78,162)</u>
Net change in fund balance.	614,294	702,294	544,328	(157,966)
Fund deficit at beginning of year	(1,108,081)	(1,108,081)	(1,108,081)	-
Prior year encumbrances appropriated	<u>596,216</u>	<u>596,216</u>	<u>596,216</u>	<u>-</u>
Fund balance at end of year	<u>\$ 102,429</u>	<u>\$ 190,429</u>	<u>\$ 32,463</u>	<u>\$ (157,966)</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, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Charges for services	\$ 118,902	\$ 118,902	\$ 126,069	\$ 7,167
License and permits	9,972	9,972	10,573	601
Fines and forfeitures	135,616	135,616	143,790	8,174
Intergovernmental	6,907,783	6,907,783	7,324,164	416,381
Reimbursements	29,962	29,962	31,768	1,806
Investment income	160,786	160,786	170,478	9,692
Other	2,670	2,670	2,831	161
Total revenues	<u>7,365,691</u>	<u>7,365,691</u>	<u>7,809,673</u>	<u>443,982</u>
Expenditures:				
Current:				
Public works	7,658,311	9,584,115	8,165,570	1,418,545
Total expenditures	<u>7,658,311</u>	<u>9,584,115</u>	<u>8,165,570</u>	<u>1,418,545</u>
Deficiency of revenues under expenditures.	<u>(292,620)</u>	<u>(2,218,424)</u>	<u>(355,897)</u>	<u>1,862,527</u>
Other financing sources:				
Other financing sources	14,378	14,378	15,245	867
Total other financing sources	<u>14,378</u>	<u>14,378</u>	<u>15,245</u>	<u>867</u>
Net change in fund balance.	(278,242)	(2,204,046)	(340,652)	1,863,394
Fund balance at beginning of year	1,217,324	1,217,324	1,217,324	-
Prior year encumbrances appropriated	<u>2,501,357</u>	<u>2,501,357</u>	<u>2,501,357</u>	<u>-</u>
Fund balance at end of year	<u>\$ 3,440,439</u>	<u>\$ 1,514,635</u>	<u>\$ 3,378,029</u>	<u>\$ 1,863,394</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

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

Business-Type Activities - Enterprise Funds

	<u>Sewer</u>	<u>Water</u>	<u>Landfill</u>	<u>Care Facility</u>
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents.	\$ 5,718,727	\$ 1,643,983	\$ 6,702,111	\$ 374,696
Receivables (net of allowance for uncollectibles):				
Accounts	985,330	955,980	514,595	-
Special assessments	543,747	424,825	595	-
Interfund loans	-	-	20,000	-
Due from other funds.	80	17,332	-	-
Materials and supplies inventory	27,473	123,302	25,612	25,387
Unamortized bond issuance costs.	64,984	69,590	202,561	-
Total current assets	<u>7,340,341</u>	<u>3,235,012</u>	<u>7,465,474</u>	<u>400,083</u>
Noncurrent assets:				
Capital assets:				
Land	941,456	79,475	1,308,052	105,476
Depreciable capital assets, net	58,439,550	46,198,414	5,529,901	2,207,434
Total noncurrent assets	<u>59,381,006</u>	<u>46,277,889</u>	<u>6,837,953</u>	<u>2,312,910</u>
Total assets	<u>66,721,347</u>	<u>49,512,901</u>	<u>14,303,427</u>	<u>2,712,993</u>
Liabilities:				
Current liabilities:				
Accounts payable.	149,150	21,674	10,440	64,466
Contracts payable.	8,270,076	597,000	-	-
Accrued wages and benefits payable	34,194	24,345	15,793	229,883
Retainage payable.	-	-	170,719	-
Pension benefit obligation payable	3,354	2,313	1,502	66,969
Due to other governments	63,035	225,363	84,623	1,544
Due to other funds	1,961	3,287	39,528	11,571
Claims payable.	-	-	-	-
Accrued interest payable.	433,184	477,955	218,158	519
Notes payable	-	-	5,000,000	-
Compensated absences - current.	24,411	24,411	12,206	84,135
General obligation bonds - current.	500,000	507,100	675,000	128,900
Special assessment bonds - current	55,000	-	-	-
OWDA loans - current.	644,055	509,995	-	-
OPWC loans - current	70,318	17,390	-	-
Capital lease obligation - current	-	-	72,390	1,930
Total current liabilities	<u>10,248,738</u>	<u>2,410,833</u>	<u>6,300,359</u>	<u>589,917</u>
Long-term liabilities:				
Compensated absences	82,257	82,257	41,127	197,760
General obligation bonds (net of unamortized premiums and discounts)	6,142,653	7,017,858	15,779,932	-
Special assessment bonds	1,065,000	-	-	-
OWDA loans	18,869,681	23,989,341	-	-
OPWC loans	285,356	78,253	-	-
Capital lease obligation	-	-	234,464	8,356
Landfill closure and postclosure care liability.	-	-	12,901,717	-
Total long-term liabilities	<u>26,444,947</u>	<u>31,167,709</u>	<u>28,957,240</u>	<u>206,116</u>
Total liabilities	<u>36,693,685</u>	<u>33,578,542</u>	<u>35,257,599</u>	<u>796,033</u>
Net assets:				
Invested in capital assets, net of related debt.	31,816,596	14,226,810	(14,633,901)	2,173,724
Unrestricted	(1,788,934)	1,707,549	(6,320,271)	(256,764)
Total net assets	<u>\$ 30,027,662</u>	<u>\$ 15,934,359</u>	<u>\$ (20,954,172)</u>	<u>\$ 1,916,960</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>
\$ 14,439,517	\$ 922,058
2,455,905	-
969,167	-
20,000	-
17,412	-
201,774	-
337,135	-
<u>18,440,910</u>	<u>922,058</u>
2,434,459	-
112,375,299	-
<u>114,809,758</u>	<u>-</u>
<u>133,250,668</u>	<u>922,058</u>
245,730	6,275
8,867,076	-
304,215	-
170,719	-
74,138	-
374,565	-
56,347	-
-	1,053,916
1,129,816	-
5,000,000	-
145,163	-
1,811,000	-
55,000	-
1,154,050	-
87,708	-
74,320	-
<u>19,549,847</u>	<u>1,060,191</u>
403,401	-
28,940,443	-
1,065,000	-
42,859,022	-
363,609	-
242,820	-
12,901,717	-
86,776,012	-
<u>106,325,859</u>	<u>1,060,191</u>
33,583,229	-
<u>(6,658,420)</u>	<u>(138,133)</u>
26,924,809	<u>\$ (138,133)</u>
(147,883)	
<u>\$ 26,776,926</u>	

ERIE COUNTY, OHIO

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			
	Sewer	Water	Landfill	Care Facility
Operating revenues:				
Charges for services	\$ 6,524,954	\$ 7,072,814	\$ 3,962,796	\$ 7,814,150
Tap-in fees	860,843	580,462	-	-
Special assessments	10,119	60,549	-	-
Reimbursements	80	-	-	-
Other.	124,068	135,520	86,035	30,658
Total operating revenues	7,520,064	7,849,345	4,048,831	7,844,808
Operating expenses:				
Personal services	1,599,249	1,301,667	774,793	6,466,854
Contract services	11,001,976	3,844,908	498,350	863,562
Materials and supplies	520,545	555,015	1,168,334	759,536
Depreciation	1,898,861	1,358,413	272,242	104,735
Landfill closure and post-closure costs	-	-	1,436,107	-
Claims.	-	-	-	-
Total operating expenses.	15,020,631	7,060,003	4,149,826	8,194,687
Operating income (loss)	(7,500,567)	789,342	(100,995)	(349,879)
Nonoperating revenues (expenses):				
Interest and fiscal charges.	(1,199,250)	(1,353,492)	(1,005,092)	(12,026)
Loss on sale of capital assets	(38,276)	(1,131)	(566)	(1,240)
Interest revenue	53,751	8,827	18,678	-
Intergovernmental revenue	-	211,950	-	-
Total nonoperating revenues (expenses)	(1,183,775)	(1,133,846)	(986,980)	(13,266)
Income (loss) before capital contributions and transfers	(8,684,342)	(344,504)	(1,087,975)	(363,145)
Capital contributions	3,725,459	4,266,846	-	-
Transfers in.	104,013	-	-	93,751
Change in net assets.	(4,854,870)	3,922,342	(1,087,975)	(269,394)
Net assets (deficit) at beginning of year.	34,882,532	12,012,017	(19,866,197)	2,186,354
Net assets (deficit) at end of year	\$ 30,027,662	\$ 15,934,359	\$ (20,954,172)	\$ 1,916,960

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

Change in net assets of business-type activities.

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 25,374,714	\$ 7,085,904
1,441,305	-
70,668	-
80	-
376,281	412,355
<u>27,263,048</u>	<u>7,498,259</u>
10,142,563	-
16,208,796	6,275
3,003,430	297,901
3,634,251	-
1,436,107	-
-	7,748,785
<u>34,425,147</u>	<u>8,052,961</u>
<u>(7,162,099)</u>	<u>(554,702)</u>
(3,569,860)	-
(41,213)	-
81,256	-
211,950	-
<u>(3,317,867)</u>	<u>-</u>
(10,479,966)	(554,702)
7,992,305	-
197,764	55,285
<u>(2,289,897)</u>	<u>(499,417)</u>
	361,284
	<u>\$ (138,133)</u>
<u>(364,412)</u>	
<u>\$ (2,654,309)</u>	

ERIE COUNTY, OHIO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Business-Type Activities - Enterprise Funds			
	Sewer	Water	Landfill	Care Facility
Cash flows from operating activities:				
Cash received from charges for services	\$ 6,579,060	\$ 7,151,768	\$ 4,032,114	\$ 7,814,150
Cash received from special assessments	10,119	60,549	-	-
Cash received from tap-in fees	860,843	580,462	-	-
Cash received from other operations	124,068	135,520	86,390	30,658
Cash payments for personal services	(1,561,684)	(1,260,437)	(758,083)	(6,356,268)
Cash payments for contract services	(4,869,731)	(4,315,282)	(2,024,984)	(874,084)
Cash payments for materials and supplies	(517,344)	(576,155)	(1,180,808)	(798,807)
Cash payments for claims expenses	-	-	-	-
Net cash provided by (used in) operating activities	<u>625,331</u>	<u>1,776,425</u>	<u>154,629</u>	<u>(184,351)</u>
Cash flows from noncapital financing activities:				
Cash received from grants and subsidies	73,357	249,342	-	-
Cash received from transfers in	104,013	-	-	93,751
Cash payments for advances out	-	-	(20,000)	-
Net cash provided by (used in) noncapital financing activities	<u>177,370</u>	<u>249,342</u>	<u>(20,000)</u>	<u>93,751</u>
Cash flows from capital and related financing activities:				
Cash payments for the acquisition of capital assets	(3,281,673)	(803,835)	(19,400)	(19,104)
Cash payments for principal retirement of bonds	(535,000)	(488,000)	(655,000)	(123,000)
Cash payments for principal retirement of loans	(599,151)	(633,423)	-	-
Cash payments for principal retirement of notes	-	-	(5,000,000)	-
Cash payments for principal retirement of capital lease	(49,057)	-	(122,573)	(822)
Cash payments for interest and fiscal charges	(1,152,208)	(1,465,168)	(975,560)	(12,522)
Cash received from loan issuance	5,783,686	1,257,111	-	-
Cash received from note issuance, including premium	-	-	5,000,000	-
Cash received from capital lease transaction	-	-	-	11,108
Net cash provided by (used in) capital and related financing activities	<u>166,597</u>	<u>(2,133,315)</u>	<u>(1,772,533)</u>	<u>(144,340)</u>
Cash flows from investing activities:				
Cash received from interest earned	53,751	8,827	18,678	-
Net cash provided by investing activities	<u>53,751</u>	<u>8,827</u>	<u>18,678</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,023,049	(98,721)	(1,619,226)	(234,940)
Cash and cash equivalents at beginning of year	<u>4,695,678</u>	<u>1,742,704</u>	<u>8,321,337</u>	<u>609,636</u>
Cash and cash equivalents at end of year	<u>\$ 5,718,727</u>	<u>\$ 1,643,983</u>	<u>\$ 6,702,111</u>	<u>\$ 374,696</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (7,500,567)	\$ 789,342	\$ (100,995)	\$ (349,879)
Adjustments:				
Depreciation	1,898,861	1,358,413	272,242	104,735
Changes in assets and liabilities:				
Increase in accounts receivable	27,170	79,877	69,863	-
(Increase) decrease in special assessments receivable	26,936	3,842	(595)	-
(Increase) decrease in due from other funds	(80)	(4,765)	405	-
(Increase) decrease in materials and supplies inventory	(5,818)	(2,925)	458	(14,989)
Increase (decrease) in accounts payable	31,454	(107,758)	(198,253)	(41,293)
Increase (decrease) in contracts payable	6,185,070	259,568	(1,356,486)	-
Increase in retainage payable	-	-	892	-
Decrease in accrued wages and benefits	(4,460)	(784)	(4,144)	(63,323)
Increase in compensated absences payable	41,616	41,616	20,807	168,339
Increase in pension obligation payable	409	398	47	5,570
Increase (decrease) in due to other governments	(74,065)	(639,435)	335	1,418
Increase (decrease) in due to other funds	(1,195)	(964)	13,946	5,071
Increase in landfill closure and postclosure care liability	-	-	1,436,107	-
Increase in claims payable	-	-	-	-
Net cash provided by (used in) operating activities	<u>\$ 625,331</u>	<u>\$ 1,776,425</u>	<u>\$ 154,629</u>	<u>\$ (184,351)</u>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

<u>Total</u>	<u>Governmental Activities - Internal Service Fund</u>
\$ 25,577,092	\$ 7,085,904
70,668	-
1,441,305	-
376,636	412,355
(9,936,472)	-
(12,084,081)	-
(3,073,114)	(310,106)
-	(7,652,799)
<u>2,372,034</u>	<u>(464,646)</u>
322,699	-
197,764	55,285
(20,000)	-
<u>500,463</u>	<u>55,285</u>
(4,124,012)	-
(1,801,000)	-
(1,232,574)	-
(5,000,000)	-
(172,452)	-
(3,605,458)	-
7,040,797	-
5,000,000	-
11,108	-
<u>(3,883,591)</u>	<u>-</u>
81,256	-
81,256	-
(929,838)	(409,361)
15,369,355	1,331,419
<u>\$ 14,439,517</u>	<u>\$ 922,058</u>
\$ (7,162,099)	\$ (554,702)
3,634,251	-
176,910	-
30,183	-
(4,440)	-
(23,274)	-
(315,850)	(5,930)
5,088,152	-
892	-
(72,711)	-
272,378	-
6,424	-
(711,747)	-
16,858	-
1,436,107	-
-	95,986
<u>\$ 2,372,034</u>	<u>\$ (464,646)</u>

ERIE COUNTY, OHIO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2006

	<u>Private Purpose Trust</u>	<u>Investment Trust</u>	<u>Agency</u>
Assets:			
Equity in pooled cash and cash equivalents	\$ 45,741	\$ 453,588	\$ 9,317,956
Cash in segregated accounts	-	-	3,267,047
Receivables:			
Real estate and other taxes.	-	-	95,075,430
Due from other governments	-	-	225,072
	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 45,741</u>	<u>\$ 453,588</u>	<u>\$ 107,885,505</u>
Liabilities:			
Accrued wages and benefits payable	\$ -	\$ -	\$ 8,414
Due to other governments.	-	-	104,610,044
Deposits held and due to others.	-	-	3,267,047
	<hr/>	<hr/>	<hr/>
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 107,885,505</u>
Net assets:			
Held in trust for other purposes.	45,741	-	
Held in trust for external pool participants	-	453,588	
	<hr/>	<hr/>	
Total net assets	<u>\$ 45,741</u>	<u>\$ 453,588</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, 2006

	<u>Private Purpose Trust</u>	<u>Investment Trust</u>
Additions:		
Investment income	\$ 1,987	\$ 55,329
Transactions:		
Purchase of units.	-	3,613,826
Redemption of units	-	<u>(3,676,278)</u>
Change in net assets.	1,987	(7,123)
Net assets at beginning of year	<u>43,754</u>	<u>460,711</u>
Net assets at end of year	<u>\$ 45,741</u>	<u>\$ 453,588</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, 2006

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, 2006**

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 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, 2006

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 \$23,949 to the Regional Airport Authority during fiscal 2006. 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, 2006

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.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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

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.

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, 2006

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/Unearned Revenue - Deferred revenue and unearned revenue arise 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, 2006, but which were levied to finance 2007 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements have been met 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, 2006

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 2006.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2006

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 2006) 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 2006, investments were limited to the State Treasury Asset Reserve of Ohio (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 and 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, 2006.

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 2006 was \$2,253,526, which includes \$1,857,436 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, 2006**

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. 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, 2006

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 2006, 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 is 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, 2006 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, 2006, 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, 2006**

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, 2006**

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 materials and supplies inventory, debt service, 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 2006.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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. Changes in Accounting Principles

For fiscal year 2006, the County has implemented GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation", and GASB Statement No. 47, "Accounting for Termination Benefits".

GASB Statement No. 46 defines enabling legislation and specifies how net assets should be reported in the financial statements when there are changes in such legislation. The Statement also requires governments to disclose in the notes to the basic financial statements the amount of net assets restricted by enabling legislation.

GASB Statement No. 47 establishes accounting standards for termination benefits.

The implementation of GASB Statement No. 46 and GASB Statement No. 47 did not have an effect on the fund balances/net assets of the City as previously reported at December 31, 2005.

B. Deficit Fund Balances/Net Assets

<u>Major Funds</u>	<u>Deficit</u>
Landfill	\$ 20,954,172

The Landfill fund complied with Ohio state law, which does not permit a cash basis deficit at year-end. 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.

NOTE 4 - DEPOSITS AND INVESTMENTS

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, 2006

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, 2006

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, \$3,267,047 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 \$193,159 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, 2006, the carrying amount of all County deposits was \$21,944,261. Based on the criteria described in GASB Statement No. 40, "Deposits and Investment Risk Disclosures", as of December 31, 2006, \$1,463,017 of the County's bank balance of \$24,807,837 was covered by the Federal Deposit Insurance Corporation, and \$23,344,820 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, 2006, 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	\$ 5,490,410	\$ 2,994,080	\$ 998,190	\$ 999,750	\$ -	\$ 498,390
FHLB	11,904,090	1,996,570	1,997,190	4,917,190	2,993,140	-
FNMA	6,485,560	-	1,990,630	999,380	996,800	2,498,750
STAR Ohio	3,796,152	3,796,152	-	-	-	-
County-owned bonds	<u>2,040,948</u>	<u>1,950,000</u>	<u>90,948</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 29,717,160</u>	<u>\$ 10,736,802</u>	<u>\$ 5,076,958</u>	<u>\$ 6,916,320</u>	<u>\$ 3,989,940</u>	<u>\$ 2,997,140</u>

The weighted average maturity of investments is 0.40 years.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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, 2006:

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLMC	\$ 5,490,410	18.48%
FHLB	11,904,090	40.06%
FNMA	6,485,560	21.82%
STAR Ohio	3,796,152	12.77%
County-owned bonds	2,040,948	6.87%
Total	<u>\$ 29,717,160</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 note disclosure above to cash and investments as reported on the statement of net assets as of December 31, 2006:

Cash and Investments per Note Disclosure

Carrying amount of deposits	\$ 21,944,261
Investments	29,717,160
Cash on hand	<u>193,159</u>
Total	<u>\$ 51,854,580</u>

Cash and Investments per Statement of Net Assets

Governmental activities	\$ 24,330,731
Business-type activities	14,439,517
Fiduciary funds	<u>13,084,332</u>
Total	<u>\$ 51,854,580</u>

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 4 - DEPOSITS AND INVESTMENTS - (Continued)

D. Component Unit

At year-end, the carrying amount of the Double S Industries deposits was \$172,152. 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, 2006 consisted of the following, as reported in the fund financial statements:

Transfers from General fund to:

Public Assistance fund	\$ 367,688
Nonmajor Governmental funds	3,347,073
Internal Service fund	55,285

Transfers from Nonmajor Governmental funds to:

Public Assistance fund	400,000
Sewer fund	104,013
Care Facility fund	<u>93,751</u>

Total \$ 4,367,810

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.

- B. Interfund loans at December 31, 2006 consisted of the following, as reported in the fund financial statements:

Interfund loan receivable in Nonmajor Governmental funds from: Amount

General fund \$ 112,616

Interfund loan receivable in the Landfill fund from:

Nonmajor Governmental funds 20,000

Total \$ 132,616

Interfund loans are short-term loans between funds that are expected to be repaid in the subsequent fiscal year. These loans have been eliminated in the government-wide financial statements and are reported as a component of the "internal balance".

- C. Loans to and from other funds at December 31, 2006 consisted of the following, as reported in the fund financial statements:

Loan from General fund to: Amount

Nonmajor Governmental funds \$ 6,401

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 5 - INTERFUND TRANSACTIONS - (Continued)

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

- D.** Due from and to other funds at December 31, 2006 consisted of the following, as reported in the fund financial statements:

Due from other funds:

General fund	\$ 93,432
Motor Vehicle License & Registration fund	838
Nonmajor Governmental funds	34,444
Sewer fund	80
Water fund	<u>17,332</u>
Total	<u>\$ 146,126</u>

Due to other funds:

General fund	5,549
MR/DD fund	7,790
Public Assistance fund	40,658
Motor Vehicle License & Registration fund	7,775
Nonmajor Governmental funds	28,007
Sewer fund	1,961
Water fund	3,287
Landfill fund	39,528
Care Facility fund	<u>11,571</u>
Total	<u>\$ 146,126</u>

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.

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. The tangible personal property tax assessment percentage for property, including inventory, is 18.75% for 2006. This percentage will be reduced to 12.5% for 2007, 6.25% for 2008, and zero for 2009. 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.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 6 - PROPERTY TAXES - (Continued)

The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property:

Agricultural	\$ 61,186,310
Residential	1,301,951,500
Commercial/Industrial/Mineral	354,294,550

Public Utility Property:

Real	4,900,890
Personal	68,214,930
Tangible Personal Property	<u>195,095,880</u>
Total assessed value	<u>\$ 1,985,644,060</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 is payable July 15. Under certain circumstances, State statute permits earlier or later payment dates to be established.

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 2006 operations, the receivable is offset by a credit to "unearned 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.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 7 - RECEIVABLES

Receivables at December 31, 2006 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	\$ 12,840,596
Sales taxes	3,073,563
Accounts	155,000
Special assessments	1,080,346
Due from other governments	5,827,973
Loans	235,045
Accrued interest	95

Business-Type Activities:

Accounts	2,455,905
Special assessments	969,167

Receivables have been disaggregated in the basic financial statements.

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 \$706,683 in delinquent special assessments. Of this total, \$47,315 is reported in governmental activities and \$659,368 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 2006.

Balance of loans receivable, December 31, 2005	\$ 185,526
Loans issued in 2006	75,549
Loan principal payments received in 2006	<u>(26,030)</u>
Loans receivable, December 31, 2006	<u>\$ 235,045</u>

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 9 - CAPITAL ASSETS

A. Governmental Activities

Capital asset activity for the year ended December 31, 2006 was as follows:

	Balance			Balance
<u>Governmental Activities:</u>	<u>12/31/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/06</u>
<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	40,062,279	-	-	40,062,279
Equipment and machinery	6,483,515	1,249,122	(36,308)	7,696,329
Vehicles	3,496,966	496,116	(268,283)	3,724,799
Infrastructure	38,735,757	4,305,514	-	43,041,271
Total capital assets, being depreciated	<u>89,882,272</u>	<u>6,050,752</u>	<u>(304,591)</u>	<u>95,628,433</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(225,128)	(53,820)	-	(278,948)
Buildings and improvements	(10,981,027)	(906,083)	-	(11,887,110)
Equipment and machinery	(3,534,423)	(516,512)	24,601	(4,026,334)
Vehicles	(2,149,842)	(294,096)	183,810	(2,260,128)
Infrastructure	(12,248,009)	(1,464,372)	-	(13,712,381)
Total accumulated depreciation	<u>(29,138,429)</u>	<u>(3,234,883)</u>	<u>208,411</u>	<u>(32,164,901)</u>
Total capital assets, being depreciated net	<u>60,743,843</u>	<u>2,815,869</u>	<u>(96,180)</u>	<u>63,463,532</u>
Governmental activities capital assets, net	<u>\$ 62,868,925</u>	<u>\$ 2,815,869</u>	<u>\$ (96,180)</u>	<u>\$ 65,588,614</u>

Governmental activities depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Legislative and executive	\$ 358,152
Judicial	197,642
Public safety	294,983
Public works	1,673,816
Health	247,971
Human services	420,622
Economic development and assistance	34,093
Other	<u>7,604</u>
Total depreciation expense	<u>\$ 3,234,883</u>

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 9 - CAPITAL ASSETS - (Continued)

B. Business-Type Activities

The County has restated the capital asset and accumulated depreciation balances at December 31, 2005 in order to properly report the balances of land improvements and buildings and improvements in the Landfill fund. This restatement was a reclassification between asset classes. For capital assets, \$3,013,746 has been reclassified from buildings and improvements to land improvements. For accumulated depreciation, \$108,830 has been reclassified from buildings and improvements to land improvements. The restatement had no effect on net assets as previously reported at December 31, 2005.

Capital asset activity for the year ended December 31, 2006 was as follows:

<u>Business-Type Activities:</u>	<u>Balance</u>			<u>Balance</u>
	<u>12/31/05</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/06</u>
<i>Capital assets, not being depreciated:</i>				
Land	\$ 2,434,459	\$ -	\$ -	\$ 2,434,459
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	7,570,396	-	-	7,570,396
Buildings and improvements	33,947,665	-	(21,317)	33,926,348
Equipment and machinery	7,803,478	54,288	(6,058)	7,851,708
Vehicles	1,207,859	199,977	(88,458)	1,319,378
Infrastructure	<u>102,959,512</u>	<u>11,788,695</u>	<u>-</u>	<u>114,748,207</u>
Total capital assets, being depreciated	<u>153,488,910</u>	<u>12,042,960</u>	<u>(115,833)</u>	<u>165,416,037</u>
<i>Less: accumulated depreciation:</i>				
Land improvements	(2,847,252)	(221,884)	-	(3,069,136)
Buildings and improvements	(12,952,841)	(666,358)	-	(13,619,199)
Equipment and machinery	(4,274,389)	(239,804)	3,230	(4,510,963)
Vehicles	(959,114)	(44,110)	71,390	(931,834)
Infrastructure	<u>(28,447,511)</u>	<u>(2,462,095)</u>	<u>-</u>	<u>(30,909,606)</u>
Total accumulated depreciation	<u>(49,481,107)</u>	<u>(3,634,251)</u>	<u>74,620</u>	<u>(53,040,738)</u>
Total capital assets, being depreciated net	<u>104,007,803</u>	<u>8,408,709</u>	<u>(41,213)</u>	<u>112,375,299</u>
Business-type activities capital assets, net	<u>\$ 106,442,262</u>	<u>\$ 8,408,709</u>	<u>\$ (41,213)</u>	<u>\$ 114,809,758</u>

Business-type activities depreciation expense was reported in the enterprise funds as follows:

Business-Type Activities:

Sewer	\$ 1,898,861
Water	1,358,413
Landfill	272,242
Care Facility	<u>104,735</u>
Total depreciation expense	<u>\$ 3,634,251</u>

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 10 - CAPITAL LEASE - LESSEE DISCLOSURE

During fiscal 2006, 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.

Governmental capital assets consisting of equipment and machinery have been capitalized in the amount of \$46,770. This amount represents the present value of the minimum lease payments at the time of the lease inception. A corresponding liability has been reported on the statement of net assets. During fiscal 2006, principal and interest payments totaled \$6,273 and \$1,475, respectively.

Proprietary capital assets consisting of equipment and machinery have been capitalized in the Sewer fund, Landfill fund, and Care Facility fund in the amounts of \$147,230, \$1,082,607, and \$11,108, respectively. These amounts represent the present value of the minimum lease payments at the time of the lease inceptions. A corresponding liability has been reported in the Landfill fund and Care Facility fund. During fiscal 2006, principal and interest payments totaled \$49,057 and \$1,751, respectively, in the Sewer fund, \$122,573 and \$15,592, respectively, in the Landfill fund, and \$822 and \$178, respectively, in the Care Facility fund. In the Sewer fund, this principal and interest payment was the final debt service payment on the lease, and no liability exists as of December 31, 2006.

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, 2006:

<u>Year Ended</u> <u>December 31,</u>	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
2007	\$ 10,200	\$ 86,696	\$ 96,896
2008	10,200	86,696	96,896
2009	10,200	86,696	96,896
2010	10,200	86,696	96,896
2011	<u>4,437</u>	<u>2,000</u>	<u>6,437</u>
Total	45,237	348,784	394,021
Less: Amount representing interest	<u>(4,740)</u>	<u>(31,644)</u>	<u>(36,384)</u>
Present value of minimum lease payments	<u>\$ 40,497</u>	<u>\$ 317,140</u>	<u>\$ 357,637</u>

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 11 - LONG-TERM OBLIGATIONS

A. Governmental Activities

During fiscal 2006, the following changes occurred in the County's governmental activities long-term obligations:

<u>Governmental Activities:</u>	Maturity	Interest	Balance			Balance	Amounts Due
	<u>Date</u>	<u>Rate</u>	<u>12/31/05</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/06</u>	<u>In 1 Year</u>
<u>General Obligation Bonds</u>							
1987 Human Services Building	2012	7.375%	\$ 420,000	\$ -	\$ (60,000)	\$ 360,000	\$ 60,000
1998 Various Purpose Improvements	2019	3.05-4.75%	5,080,000	-	(305,000)	4,775,000	325,000
1999 Courthouse Improvements	2007	3.85-6.375%	230,000	-	(110,000)	120,000	120,000
2002 Juvenile Detention Facility	2022	2-5.375%	1,600,000	-	(70,000)	1,530,000	70,000
2004 Refunding	2016	2-3.75%	510,000	-	(55,000)	455,000	50,000
Total General Obligation Bonds			<u>7,840,000</u>	<u>-</u>	<u>(600,000)</u>	<u>7,240,000</u>	<u>625,000</u>
<u>Special Assessment Bonds</u>							
1986 Perkins-Margaretta Project	2006	6.75%	145,000	-	(145,000)	-	-
1991 East Erie Cleveland Road	2011	6.55%	17,000	-	(2,500)	14,500	2,500
1995 Glidden / Riverport	2015	5.7%	385,000	-	(30,000)	355,000	30,000
1996 Parker Road	2016	5.9%	200,000	-	(10,000)	190,000	15,000
1996 Joppa Road	2016	6.375%	45,000	-	(3,000)	42,000	3,000
1997 Various Purpose Improvements	2017	4.87-5%	64,000	-	(4,000)	60,000	4,000
1998 Various Purpose Improvements	2019	3.05-4.75%	160,000	-	(10,000)	150,000	10,000
1999 Various Purpose Improvements	2014	3.85-6.375%	340,000	-	(165,000)	175,000	175,000
2003 Country Club Lane Curbs	2013	3.75%	39,778	-	(4,355)	35,423	4,519
2006 Behnke Ditch SA	2014	4%	-	55,525	-	55,525	6,525
Total Special Assessment Bonds			<u>1,395,778</u>	<u>55,525</u>	<u>(373,855)</u>	<u>1,077,448</u>	<u>250,544</u>
<u>Bond Anticipation Notes</u>							
2005 County Courthouse Improvements	2006	3.3%	1,000,000	-	(1,000,000)	-	-
2005 County Jail Improvements	2006	3.35%	800,000	-	(800,000)	-	-
2005 Dog and Kennel Construction	2006	3.25%	400,000	-	(400,000)	-	-
2005 Behnke Ditch Improvements	2006	3.15%	70,000	-	(70,000)	-	-
2005 Kalahari TIF Construction	2006	3.25%	8,000,000	-	(8,000,000)	-	-
2005 Quarry Lakes TIF Construction	2006	3.5%	2,500,000	-	(2,500,000)	-	-
2005 U.S. Route 250 Widening Project	2006	3.35%	2,350,000	-	(2,350,000)	-	-
2006 County Courthouse Improvements	2007	4%	-	1,000,000	-	1,000,000	1,000,000
2006 County Jail Improvements	2007	4.1%	-	800,000	-	800,000	800,000
2006 Dog and Kennel Construction	2007	4.25%	-	700,000	-	700,000	700,000
2006 Kalahari TIF Construction	2007	4.25%	-	7,500,000	-	7,500,000	7,500,000
2006 Quarry Lakes TIF Construction	2007	4.25%	-	2,525,000	-	2,525,000	2,525,000
2006 U.S. Route 250 Widening Project	2007	5%	-	1,150,000	-	1,150,000	1,150,000
Total Bond Anticipation Notes			<u>15,120,000</u>	<u>13,675,000</u>	<u>(15,120,000)</u>	<u>13,675,000</u>	<u>13,675,000</u>
<u>Other Long-Term Obligations</u>							
Capital Lease Obligation			-	46,770	(6,273)	40,497	8,365
Compensated Absences			1,604,103	1,475,747	(421,178)	2,658,672	713,782
Total Other Long-Term Obligations			<u>1,604,103</u>	<u>1,522,517</u>	<u>(427,451)</u>	<u>2,699,169</u>	<u>722,147</u>
Total Governmental Activities Long-Term Obligations			<u>\$ 25,959,881</u>	<u>\$ 15,253,042</u>	<u>\$ (16,521,306)</u>	24,691,617	<u>\$ 15,272,691</u>
Add: Unamortized premiums on bonds						4,508	
Total Governmental Activities Long-Term Obligations Reported on the Statement of Net Assets						<u>\$ 24,696,125</u>	

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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 2.000% 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 1986 to 2006, mature in various fiscal years from 2006 to 2019, and carry interest rates ranging from 3.050% to 6.75%. 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 2006, mature in fiscal year 2007, and carry interest rates ranging from 4.000% to 5.000%. 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.

Capital Lease Obligation - The capital lease obligation represents 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. See Note 10 for further information.

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
2007	625,000	328,708	953,708	250,544	54,707	305,251
2008	520,000	302,755	822,755	81,188	42,597	123,785
2009	535,000	281,595	816,595	82,864	38,573	121,437
2010	545,000	259,065	804,065	84,047	34,450	118,497
2011	565,000	235,230	800,230	94,736	30,242	124,978
2012 - 2016	2,560,000	796,960	3,356,960	447,069	76,710	523,779
2017 - 2021	1,760,000	228,663	1,988,663	37,000	2,488	39,488
2022	130,000	6,305	136,305	-	-	-
Total	<u>\$ 7,240,000</u>	<u>\$ 2,439,281</u>	<u>\$ 9,679,281</u>	<u>\$ 1,077,448</u>	<u>\$ 279,767</u>	<u>\$ 1,357,215</u>

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

B. Business-Type Activities

During fiscal 2006, the following changes occurred in the County's business-type activities long-term obligations:

<u>Business-Type Activities:</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 12/31/05</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/06</u>	<u>Amounts Due In 1 Year</u>
<u>General Obligation Bonds</u>							
<u>Sewer Fund</u>							
1992 Marshall Avenue Pump Station	2012	6.05%	\$ 265,000	\$ -	\$ (30,000)	\$ 235,000	\$ 35,000
1996 Cleveland Road East Trunk	2016	5.9%	345,000	-	(25,000)	320,000	25,000
1999 Rye Beach Trunk Line	2019	3.85-6.375%	1,795,000	-	(90,000)	1,705,000	95,000
1999 Cleveland Road Main Extension	2019	3.85-6.375%	400,000	-	(20,000)	380,000	20,000
2000 Ruggles - Mitiwanga Rehabilitation	2020	4.3-6%	145,000	-	(5,000)	140,000	5,000
2001 Route 6 / Mitiwanga West	2021	3-5.5%	710,000	-	(35,000)	675,000	30,000
2001 Columbus Park Subdivision	2021	3-5.5%	390,000	-	(20,000)	370,000	20,000
2002 Perkins Township Rehabilitation	2022	2-5.375%	610,000	-	(25,000)	585,000	25,000
2004 Refunding	2014	2-3.75%	2,400,000	-	(235,000)	2,165,000	245,000
<u>Water Fund</u>							
1993 Route 4	2015	5.7%	225,000	-	(15,000)	210,000	20,000
1995 Billings Road Elevated Tank	2016	5.9%	380,000	-	(25,000)	355,000	25,000
1997 Various Purpose Improvements	2017	4.875-5%	349,100	-	(23,000)	326,100	27,100
1997 Various Purpose Improvements	2019	3.05-4.75%	425,000	-	(25,000)	400,000	25,000
1999 State Route 101	2019	3.85-6.375%	420,000	-	(20,000)	400,000	20,000
1999 U.S. Route 250 Relocation	2019	3.85-6.375%	615,000	-	(30,000)	585,000	35,000
2000 Columbus / Oakland / U.S. Route 250	2020	4.3-6%	985,000	-	(45,000)	940,000	45,000
2000 State Route 4 Improvements	2020	4.3-6%	420,000	-	(20,000)	400,000	20,000
2001 South Columbus / Taylor Road	2021	3-5.5%	740,000	-	(35,000)	705,000	35,000
2001 Mason Road / Taylor Road	2021	3-5.5%	285,000	-	(15,000)	270,000	15,000
2001 Marshall Avenue Improvements	2021	3-5.5%	380,000	-	(20,000)	360,000	15,000
2001 Maple Avenue / Bardwell	2021	3-5.5%	435,000	-	(20,000)	415,000	20,000
2004 Refunding	2016	2-3.75%	2,285,000	-	(195,000)	2,090,000	205,000
<u>Landfill Fund</u>							
2000 Garbage and Refuse District	2020	4.3-5.5%	2,770,000	-	(120,000)	2,650,000	130,000
2001 Garbage and Refuse District	2021	3-5.5%	2,745,000	-	(130,000)	2,615,000	125,000
2004 Garbage and Refuse Improvements	2024	3-5.5%	11,305,000	-	(405,000)	10,900,000	420,000
<u>Care Facility Fund</u>							
1997 Building Construction	2007	4.3-5%	251,900	-	(123,000)	128,900	128,900
Total General Obligation Bonds			32,076,000	-	(1,751,000)	30,325,000	1,811,000
<u>Special Assessment Bonds</u>							
<u>Sewer Fund</u>							
2001 Chappell Creek	2021	3-5.5%	1,170,000	-	(50,000)	1,120,000	55,000
Total Special Assessment Bonds			1,170,000	-	(50,000)	1,120,000	55,000
<u>Bond Anticipation Notes</u>							
<u>Landfill Fund</u>							
2005 Landfill Construction	2006	3.25%	5,000,000	-	(5,000,000)	-	-
2006 Landfill Construction	2007	4.25%	-	5,000,000	-	5,000,000	5,000,000
Total Bond Anticipation Notes			5,000,000	5,000,000	(5,000,000)	5,000,000	5,000,000

ERIE COUNTY, OHIO

**NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

NOTE 11 - LONG-TERM OBLIGATIONS - (Continued)

<u>Business-Type Activities:</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance 12/31/05</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/06</u>	<u>Amounts Due In 1 Year</u>
<u>Ohio Water Development Authority Loans</u>							
<u>Sewer Fund</u>							
1977 Sandusky	2006	6.25%	22,103	-	(22,103)	-	-
1977 Ruggles - Mitiwanga	2007	6.25%	6,299	-	(6,299)	-	-
1985 Sawmill	2015	6.91%	4,086,128	-	(318,853)	3,767,275	340,886
2003 Route 250 Expansion	2007	5.65%	405,251	23,053	-	428,304	-
2003 Rehabilitation Hinde / Maple	2033	4.34%	896,620	11,969	(17,663)	890,926	18,438
2003 State Route 4 Extension	2033	4.28%	3,047,734	-	(73,991)	2,973,743	105,514
2004 A Street Rehabilitation	2035	4.16%	1,467,228	-	(23,966)	1,443,262	27,166
2005 Rehabilitation	2036	4.1%	1,015,148	119,149	(11,734)	1,122,563	11,975
2005 Huron Basin WWTP Improvements	2021	4%	281,918	5,473	(7,084)	280,307	14,596
2005 Huron Basin WWTP Design	2010	5%	23,936	84	(24,020)	-	-
2005 Pump Station Elimination	2036	3.99%	370,303	7,283	(3,316)	374,270	6,833
2005 Extension	2037	4%	2,636,215	953,149	-	3,589,364	35,351
2006 Pump Station Improvements	2031	3.79%	-	1,366,261	(19,804)	1,346,457	20,179
2006 Huron Basin Improvements	2037	3.99%	-	3,229,682	-	3,229,682	-
2006 Sewer Rehabilitation Design	2012	4.92%	-	63,117	-	63,117	63,117
2006 Sulpher Brook Rehab Phase I	2037	4.09%	-	4,466	-	4,466	-
<u>Water Fund</u>							
1996 Route 250 Construction	2016	6.91%	1,428,203	-	(103,811)	1,324,392	110,986
2002 System Expansion	2033	4.74%	5,350,559	-	(97,701)	5,252,858	102,387
2003 System Expansion	2034	4.65%	5,145,635	-	(92,308)	5,053,327	96,650
2003 Booster Station	2034	4.7%	725,770	-	(12,915)	712,855	13,530
2003 Main Extensions Contract 3	2034	4.34%	3,780,421	-	(72,605)	3,707,816	7,132
2003 District B Contract 4	2036	4.28%	3,514,926	-	(64,603)	3,450,323	12,062
2004 Treatment Feasibility Study	2009	5.16%	314,813	155,609	-	470,422	100,000
2004 System Planning and Design	2009	5.16%	90,774	3,347	(94,121)	-	-
2004 Elevated Storage Tanks	2036	4.56%	2,426,701	821,286	(28,440)	3,219,547	29,088
2004 SCADA System	2016	4.56%	545,998	26,084	(27,968)	544,114	28,606
2005 Perkins Avenue Main Loop	2026	3.99%	443,272	8,702	(11,138)	440,836	3,993
2005 Berlin Heights Booster Station	2021	3.75%	91,186	239,778	(10,423)	320,541	5,561
2006 SR60 & Chappel Creek Water Tanks	2012	5.09%	-	532	-	532	-
2006 Water Booster Station Design	2012	5.09%	-	709	-	709	-
2006 Water Improvements	2012	5.09%	-	1,064	-	1,064	-
Total Ohio Water Development Authority Loans			<u>38,117,141</u>	<u>7,040,797</u>	<u>(1,144,866)</u>	<u>44,013,072</u>	<u>1,154,050</u>
<u>Ohio Public Works Commission Loans</u>							
<u>Sewer Fund</u>							
1996 Cleveland Road Pump Station	2016	-	38,800	-	(3,695)	35,105	3,695
1997 Stoney Ridge Pump Station	2018	-	54,721	-	(4,560)	50,161	4,560
2000 Ruggles / Mitiwanga Project	2011	-	87,453	-	(15,901)	71,552	15,901
2001 Columbus Park Subdivision	2009	-	90,510	-	(16,456)	74,054	16,456
2003 Perkins Rehabilitation	2011	-	103,789	-	(17,298)	86,491	17,298
2005 Hull Road Fitzgerald Subdivision	2015	-	50,719	-	(12,408)	38,311	12,408
<u>Water Fund</u>							
2002 Columbus Avenue / Taylor Road	2012	-	113,033	-	(17,390)	95,643	17,390
Total Ohio Public Works Commission Loans			<u>539,025</u>	<u>-</u>	<u>(87,708)</u>	<u>451,317</u>	<u>87,708</u>
<u>Other Long-Term Obligations</u>							
Capital Lease Obligation			478,484	11,108	(172,452)	317,140	74,320
Landfill Closure and Postclosure Care Liability			11,465,610	1,436,107	-	12,901,717	-
Compensated Absences			276,186	342,238	(69,860)	548,564	145,163
Total Other Long-Term Obligations			<u>12,220,280</u>	<u>1,789,453</u>	<u>(242,312)</u>	<u>13,767,421</u>	<u>219,483</u>
Total Business-Type Activities Long-Term Obligations			<u>\$ 89,122,446</u>	<u>\$ 13,830,250</u>	<u>\$ (8,275,886)</u>	<u>94,676,810</u>	<u>\$ 8,327,241</u>
Add: Unamortized premium on bonds						457,209	
Less: Unamortized discount on bonds						(30,766)	
Total Business-Type Activities Long-Term Obligations Reported on the Statement of Net Assets						<u>\$ 95,103,253</u>	

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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, 2006, the outstanding principal amount of general obligation bonds which are considered defeased is \$15,050,000.

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 2006, matures in fiscal 2007, and carries an interest rate of 4.25%. 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, 2006

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 2006, 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, 2006, 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. See Note 10 for further information.

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
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	1,940,000	1,146,967	3,086,967	60,000	43,985	103,985
2012 - 2016	10,175,000	4,405,794	14,580,794	370,000	179,165	549,165
2017 - 2021	8,423,000	1,988,314	10,411,314	455,000	77,000	532,000
2022 - 2024	<u>2,670,000</u>	<u>272,538</u>	<u>2,942,538</u>	-	-	-
Total	<u>\$ 30,325,000</u>	<u>\$ 12,550,513</u>	<u>\$ 42,875,513</u>	<u>\$ 1,120,000</u>	<u>\$ 498,033</u>	<u>\$ 1,618,033</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 \$41,588,603 (including available funds of \$687,501) at December 31, 2006, and the legal unvoted debt margin was \$13,303,942 at December 31, 2006.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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 for 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 2006 was \$467,025.

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 2005, 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 \$150,000 for each claim. The fund purchases policies from commercial insurance carriers for claims in excess of the \$150,000.

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, 2006 are estimated by the third party administrator at \$1,053,916.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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>
2006	\$ 957,930	\$ 7,748,785	\$ (7,652,799)	\$ 1,053,916
2005	1,181,572	6,703,477	(6,927,119)	957,930

C. Insurance Purchasing Pool

For 2006, 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, 2006, the total liability of the primary government for compensated absences was \$3,207,236. Of that amount, \$2,658,672 was reported as a liability of the governmental activities and \$548,564 was reported as a liability of the business-type activities.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

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-employer 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 the retirement system 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 stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement under the traditional plan, were required to contribute 9.0% of their annual covered salaries. Members participating in the traditional plan that were in law enforcement contributed 10.1% of their annual covered salary. The County's contribution rate for pension benefits for 2006 was 13.70%, except for those plan members in law enforcement and public safety. For those classifications, the County's pension contributions were 16.93% of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$2,744,955, \$2,608,400, and \$2,284,505, respectively; 87.81 percent has been contributed for 2006 and 100% has been contributed for 2005 and 2004. The unpaid contribution to fund pension obligations for 2006, in the amount of \$334,567, is recorded as a liability.

B. State Teachers Retirement System of Ohio

For certified teachers employed by the school for mental retardation and developmental disabilities, the County contributes to the State Teacher's 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, 2006

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.

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, 2006, 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 contributions for pension obligations for the DBP for the fiscal years ended December 31, 2006, 2005, and 2004 were \$32,846, \$49,957, and \$64,312, respectively; 98.37 percent has been contributed for fiscal year 2006 and 100 percent has been contributed for fiscal years 2005 and 2004. The unpaid contribution for 2006 of \$914 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 the retirement system is considered an Other Postemployment Benefit 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 2006 local government employer contribution rate was 13.70% of covered payroll (16.93% for public safety and law enforcement); 4.50% of covered payroll was the portion that was used to fund health care.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 15 - POSTEMPLOYMENT BENEFITS - (Continued)

Benefits are advance-funded using the entry age actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50%, an annual increase in active employee total payroll of 4.00% compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50% and 6.30% based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate (4.00%) plus and an additional factor ranging from 0.50% to 6.00% for the next nine years. In subsequent years, (10 and beyond) health care costs were assumed to increase at 4.00%.

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

The number of active contributing participants in the traditional and combined plans was 369,214 as of December 31, 2006. The County's actual employer contributions for 2006 which were used to fund postemployment benefits were \$1,311,958. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005 (the latest information available) were \$11.1 billion. At December 31, 2005 (the latest information available), the actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, is effective on January 1, 2007. OPERS took additional actions to improve the solvency of the Health care Fund in 2005 by creating a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

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 2006, the Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount was \$2,354.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the fund was \$3.011 million at June 30, 2005 (the latest information available). For the fiscal year ended June 30, 2005, 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, 2006

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 & Registration</u>
Budget basis	\$ 449,155	\$ 252,519	\$ 544,328	\$ (340,652)
Net adjustment for revenue accruals	(321,761)	31,727	372,310	(174,533)
Net adjustment for expenditure accruals	(98,961)	45,399	178,875	1,468,681
Net adjustment for other financing sources/(uses)	169,770	-	38,849	(15,245)
Encumbrances (budget basis)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
GAAP Basis	<u>\$ 198,203</u>	<u>\$ 329,645</u>	<u>\$ 1,134,362</u>	<u>\$ 938,251</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, 2006

NOTE 17 - INVESTMENT POOL - (Continued)

Condensed financial information for the investment pool is as follows:

**Statement of Net Assets
December 31, 2006**

<u>Assets</u>	
Equity in pooled cash and cash equivalents	\$ 48,587,533
Accrued interest receivable	<u>95</u>
Total	<u>\$ 48,587,628</u>
<u>Net Assets Held in Trust for Pool Participants</u>	
Internal portion	\$ 48,134,040
External portion	<u>453,588</u>
Total	<u>\$ 48,587,628</u>

**Statement of Changes in Net Assets
For The Year Ended December 31, 2006**

<u>Revenues</u>	
Interest revenue	\$ 2,738,307
<u>Expenses</u>	
Operating expenses	<u>-</u>
Net increase in assets resulting from operations	2,738,307
Distribution to pool participants	(2,770,990)
<u>Capital Transactions</u>	
Proceeds of investments sold	48,587,533
Purchase of investments	<u>(49,974,077)</u>
Total decrease in net assets	(1,419,227)
Net assets, beginning of year	<u>50,006,855</u>
Net assets, end of year	<u>\$ 48,587,628</u>

At year end, the carrying amount of the pools' deposits was \$21,944,261 and the bank balance was \$24,807,837. Of the bank balance, \$1,463,017 was covered by federal depository insurance and \$23,344,820 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.

ERIE COUNTY, OHIO

NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006

NOTE 17 - INVESTMENT POOL - (Continued)

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

<u>Investment type</u>	<u>Fair Value</u>	<u>% of Total</u>
FHLMC	\$ 5,490,410	18.48%
FHLB	11,904,090	40.06%
FNMA	6,485,560	21.82%
STAR Ohio	3,796,152	12.77%
County-owned bonds	2,040,948	6.87%
Total	<u>\$ 29,717,160</u>	<u>100.00%</u>

At fiscal year-end, the federal agency securities had maturity dates ranging from January 2007 to September 2011 and interest rates ranging from 3.00% to 5.80%. STAR Ohio's interest rate was 5.15%.

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 2006 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, 2006, 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 2006, although management anticipates remitting final amounts to ODOT once the project is completed in 2007. The County's General fund is contingently liable for any shortcomings from the hotel/motel tax. At December 31, 2006, \$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, 2006**

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 \$12,901,717 reported as the landfill closure and postclosure care liability at December 31, 2006 represents the cumulative amount reported to date based on the use of 90.89% of the estimated capacity of the landfill. This amount includes a liability of \$1,276,779 for required monitoring and maintenance of a landfill cell that was closed in 1995. The County will recognize the remaining estimated cost of closure and postclosure care of \$1,164,606 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2006. 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 2006, 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 \$216,938 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, 2006, 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, 2006

NOTE 22 - CONTRACTUAL COMMITMENTS

As of December 31, 2006, the County was contractually obligated for various construction and improvement projects. A summary of the projects follows:

<u>Contractor</u>	<u>Contract Amount</u>	<u>Payments as of 12/31/06</u>	<u>Contract Balance at 12/31/06</u>
Burgess & Niple, Inc.	\$ 1,788,614	\$ (1,129,585)	\$ 659,029
Cedar Bay Construction, Inc.	5,062,040	-	5,062,040
D&M Earthmoving, LTD	166,831	(115,166)	51,665
Focht Construction Co.	369,014	(351,781)	17,233
Linward Electric, Inc.	152,747	-	152,747
Lucas Plumbing & Heating, Inc.	113,000	(105,480)	7,520
Martinez Construction Service	53,491	(45,610)	7,881
Ohio Building Restoration, Inc.	80,821	(71,906)	8,915
Poggemeyer Design Group	294,231	(67,759)	226,472
R&I Construction, Inc.	29,914	(20,450)	9,464
Regent Electric, Inc.	789,000	-	789,000
Toledo Trane Service, Inc.	78,800	-	78,800
Underground Utilities	<u>2,154,882</u>	<u>-</u>	<u>2,154,882</u>
Total	<u>\$ 11,133,385</u>	<u>\$ (1,907,737)</u>	<u>\$ 9,225,648</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 2006. 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, 2006, 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, 2006**

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, 2006.

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, 2006, the Workshop expended \$8,522 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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Revenues:				
Property taxes	\$ 7,161,094	\$ 7,161,094	\$ 7,244,474	\$ 83,380
Sales taxes	12,203,199	12,203,199	12,345,286	142,087
Charges for services	1,547,552	1,547,552	1,565,571	18,019
Licenses and permits.	6,459	6,459	6,534	75
Fines and forfeitures.	407,274	407,274	412,016	4,742
Intergovernmental	930,835	930,835	941,673	10,838
Special assessments	144,927	144,927	146,615	1,688
Rentals.	219,616	219,616	222,173	2,557
Reimbursements.	1,664,185	1,664,185	1,683,562	19,377
Investment income	2,300,480	2,300,480	2,327,266	26,786
Other	423,659	423,659	428,592	4,933
Total revenues	<u>27,009,280</u>	<u>27,009,280</u>	<u>27,323,762</u>	<u>314,482</u>
Expenditures:				
Current:				
General government:				
Legislative and executive:				
Commissioners				
Personal services	589,862	618,851	555,439	63,412
Materials and supplies.	621,560	652,108	585,288	66,820
Contractual services.	924,302	969,727	870,363	99,364
Other	27,930	29,303	26,300	3,003
Total commissioners	<u>2,163,654</u>	<u>2,269,989</u>	<u>2,037,390</u>	<u>232,599</u>
Microfilm				
Personal services	134,043	140,631	126,221	14,410
Materials and supplies.	16,463	17,272	15,502	1,770
Total microfilm	<u>150,506</u>	<u>157,903</u>	<u>141,723</u>	<u>16,180</u>
Finance				
Personal services	211,968	222,385	199,598	22,787
Materials and supplies.	37,090	38,913	34,926	3,987
Contractual services.	12,321	12,927	11,602	1,325
Total finance	<u>261,379</u>	<u>274,225</u>	<u>246,126</u>	<u>28,099</u>
Information technology				
Personal services	313,610	329,023	295,309	33,714
Materials and supplies.	22,055	23,139	20,768	2,371
Capital outlay	53,971	56,623	50,821	5,802
Total information technology.	<u>389,636</u>	<u>408,785</u>	<u>366,898</u>	<u>41,887</u>
Auditor				
Personal services	514,962	540,270	484,910	55,360
Materials and supplies.	52,438	55,015	49,378	5,637
Contractual services.	206,380	216,522	194,336	22,186
Capital outlay	6,528	6,849	6,147	702
Other	53	56	50	6
Total auditor.	<u>780,361</u>	<u>818,712</u>	<u>734,821</u>	<u>83,891</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Treasurer				
Personal services	\$ 123,936	\$ 130,026	\$ 116,703	\$ 13,323
Materials and supplies.	43,539	45,679	40,998	4,681
Contractual services.	24,132	25,318	22,724	2,594
Total treasurer.	191,607	201,023	180,425	20,598
Prosecuting attorney				
Personal services	1,144,649	1,200,904	1,077,851	123,053
Materials and supplies.	106,867	112,120	100,631	11,489
Contractual services.	17,584	18,448	16,558	1,890
Total prosecuting attorney	1,269,100	1,331,472	1,195,040	136,432
Human resources				
Personal services	182,062	191,009	171,437	19,572
Materials and supplies.	15,427	16,185	14,527	1,658
Contractual services.	44,539	46,728	41,940	4,788
Total human resources.	242,028	253,922	227,904	26,018
Board of revision				
Contractual services.	4,043	4,242	3,807	435
Total board of revision.	4,043	4,242	3,807	435
Facilities				
Personal services	1,381,042	1,448,914	1,300,448	148,466
Materials and supplies.	750,985	787,893	707,160	80,733
Contractual services.	660,142	692,585	621,618	70,967
Capital outlay	88,950	93,321	83,759	9,562
Total facilities	2,881,119	3,022,713	2,712,985	309,728
Board of elections				
Personal services	273,983	287,448	257,994	29,454
Materials and supplies.	141,677	148,640	133,409	15,231
Contractual services.	55,373	58,095	52,142	5,953
Total board of elections.	471,033	494,183	443,545	50,638
Recorder				
Personal services	277,154	290,775	260,980	29,795
Materials and supplies.	23,253	24,396	21,896	2,500
Contractual services.	69,408	72,820	65,358	7,462
Capital outlay	11,218	11,769	10,563	1,206
Total recorder	381,033	399,760	358,797	40,963
Sheriff's facilities				
Personal services	100,769	105,721	94,888	10,833
Materials and supplies.	45,912	48,169	43,233	4,936
Contractual services.	176,545	185,221	166,242	18,979
Total sheriff's facilities	323,226	339,111	304,363	34,748

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
VOCA local match				
Personal services	\$ 48,941	\$ 51,346	\$ 46,085	\$ 5,261
Total VOCA local match	48,941	51,346	46,085	5,261
Tax map				
Personal services	78,665	82,531	74,074	8,457
Materials and supplies.	1,937	2,032	1,824	208
Total tax map.	80,602	84,563	75,898	8,665
Total legislative and executive	9,638,268	10,111,949	9,075,807	1,036,142
General government:				
Judicial				
Common pleas court				
Personal services	744,060	780,629	700,639	79,990
Materials and supplies.	191,720	201,142	180,532	20,610
Contractual services.	53,534	56,165	50,410	5,755
Capital outlay	83,466	87,568	78,595	8,973
Total common pleas court	1,072,780	1,125,504	1,010,176	115,328
Family court				
Personal services	1,940,879	2,036,265	1,827,615	208,650
Materials and supplies.	139,541	146,399	131,398	15,001
Contractual services.	97,088	101,859	91,422	10,437
Capital outlay	25,481	26,733	23,994	2,739
Total family court	2,202,989	2,311,256	2,074,429	236,827
Probate court				
Personal services	288,401	302,575	271,571	31,004
Materials and supplies.	16,203	16,999	15,257	1,742
Contractual services.	38,277	40,158	36,043	4,115
Total probate court	342,881	359,732	322,871	36,861
Clerk of courts				
Personal services	585,484	614,258	551,317	62,941
Materials and supplies.	7,865	8,252	7,406	846
Contractual services.	20,585	21,597	19,384	2,213
Total clerk of courts.	613,934	644,107	578,107	66,000
County courts				
Personal services	262,351	275,244	247,041	28,203
Materials and supplies.	26,850	28,169	25,283	2,886
Contractual services.	8,141	8,541	7,666	875
Total county courts	297,342	311,954	279,990	31,964

(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, 2006

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Municipal courts				
Personal services	37,292	39,125	\$ 35,116	\$ 4,009
Materials and supplies.	596	625	561	64
Contractual services.	194,264	203,811	182,927	20,884
Total municipal courts	<u>232,152</u>	<u>243,561</u>	<u>218,604</u>	<u>24,957</u>
Adult probation				
Personal services	389,528	408,671	366,796	41,875
Materials and supplies.	17,019	17,856	16,026	1,830
Contractual services.	9,310	9,768	8,767	1,001
Total adult probation	<u>415,857</u>	<u>436,295</u>	<u>391,589</u>	<u>44,706</u>
Juvenile detention facility				
Personal services	1,308,943	1,373,272	1,232,557	140,715
Materials and supplies.	164,280	172,354	154,693	17,661
Contractual services.	102,797	107,849	96,798	11,051
Capital outlay	42,531	44,621	40,049	4,572
Total juvenile detention facility	<u>1,618,551</u>	<u>1,698,096</u>	<u>1,524,097</u>	<u>173,999</u>
Total judicial	<u>6,796,486</u>	<u>7,130,505</u>	<u>6,399,863</u>	<u>730,642</u>
Total general government.	<u>16,434,754</u>	<u>17,242,454</u>	<u>15,475,670</u>	<u>1,766,784</u>
Public safety				
Sheriff				
Personal services	5,662,788	5,941,091	5,332,324	608,767
Materials and supplies.	667,921	700,746	628,943	71,803
Contractual services.	301,873	316,709	284,257	32,452
Capital outlay	227,963	239,167	214,660	24,507
Total sheriff.	<u>6,860,545</u>	<u>7,197,713</u>	<u>6,460,184</u>	<u>737,529</u>
Total public safety	<u>6,860,545</u>	<u>7,197,713</u>	<u>6,460,184</u>	<u>737,529</u>
Public works				
Ditch maintenance				
Personal services	42,658	44,754	40,168	4,586
Materials and supplies.	5,729	6,011	5,395	616
Contractual services.	25,636	26,896	24,140	2,756
Total ditch maintenance	<u>74,023</u>	<u>77,661</u>	<u>69,703</u>	<u>7,958</u>
Total public works	<u>74,023</u>	<u>77,661</u>	<u>69,703</u>	<u>7,958</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Health				
Coroner				
Personal services	\$ 70,433	\$ 73,895	\$ 66,323	\$ 7,572
Materials and supplies.	2,996	3,143	2,821	322
Contractual services.	33,886	35,551	31,908	3,643
Total coroner	<u>107,315</u>	<u>112,589</u>	<u>101,052</u>	<u>11,537</u>
Total health	<u>107,315</u>	<u>112,589</u>	<u>101,052</u>	<u>11,537</u>
Human services				
Humane agent				
Personal services	8,181	8,584	7,704	880
Materials and supplies.	394	413	371	42
Contractual services.	803	842	756	86
Total humane agent	<u>9,378</u>	<u>9,839</u>	<u>8,831</u>	<u>1,008</u>
Veterans services				
Personal services	272,537	285,931	256,632	29,299
Materials and supplies.	237,543	249,217	223,681	25,536
Total veterans services	<u>510,080</u>	<u>535,148</u>	<u>480,313</u>	<u>54,835</u>
Total human services.	<u>519,458</u>	<u>544,987</u>	<u>489,144</u>	<u>55,843</u>
Economic development and assistance				
Planning department				
Personal services	357,850	375,437	336,968	38,469
Materials and supplies.	35,894	37,658	33,799	3,859
Contractual services.	13,514	14,178	12,725	1,453
Total planning department.	<u>407,258</u>	<u>427,273</u>	<u>383,492</u>	<u>43,781</u>
Total economic development and assistance . . .	<u>407,258</u>	<u>427,273</u>	<u>383,492</u>	<u>43,781</u>
Other				
Other	33,043	34,667	31,115	3,552
Total other	<u>33,043</u>	<u>34,667</u>	<u>31,115</u>	<u>3,552</u>
Total expenditures	<u>24,436,396</u>	<u>25,637,344</u>	<u>23,010,360</u>	<u>2,626,984</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>2,572,884</u>	<u>1,371,936</u>	<u>4,313,402</u>	<u>2,941,466</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other financing sources (uses):				
Transfers in	64,252	64,252	65,000	748
Transfers out.	(4,203,341)	(4,409,918)	(3,958,046)	451,872
Sale of capital assets.	28,468	28,468	28,799	331
Total other financing sources (uses)	<u>(4,110,621)</u>	<u>(4,317,198)</u>	<u>(3,864,247)</u>	<u>452,951</u>
Net change in fund balance	(1,537,737)	(2,945,262)	449,155	3,394,417
Fund balance, January 1	6,166,054	6,166,054	6,166,054	-
Prior year encumbrances appropriated	<u>910,703</u>	<u>910,703</u>	<u>910,703</u>	<u>-</u>
Fund balance, December 31	<u>\$ 5,539,020</u>	<u>\$ 4,131,495</u>	<u>\$ 7,525,912</u>	<u>\$ 3,394,417</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 4,701,665	\$ 4,800,039	\$ 4,620,746	\$ (179,293)
Charges for services	388,117	396,238	381,437	(14,801)
Intergovernmental	2,358,354	2,407,698	2,317,765	(89,933)
Reimbursements	208,083	212,437	204,502	(7,935)
Investment income	579	591	569	(22)
Other	60,989	62,266	59,940	(2,326)
Total revenues	<u>7,717,787</u>	<u>7,879,269</u>	<u>7,584,959</u>	<u>(294,310)</u>
Expenditures:				
Current:				
Health				
Personal services	4,893,648	5,152,092	4,394,249	757,843
Materials and supplies.	592,741	624,044	532,251	91,793
Contractual services.	2,227,812	2,345,467	2,000,462	345,005
Capital outlay	324,112	341,229	291,036	50,193
Other	127,448	134,179	114,442	19,737
Total expenditures	<u>8,165,761</u>	<u>8,597,011</u>	<u>7,332,440</u>	<u>1,264,571</u>
Net change in fund balance	(447,974)	(717,742)	252,519	970,261
Fund balance, January 1 (restated)	1,609,626	1,609,626	1,609,626	-
Prior year encumbrances appropriated.	<u>726,190</u>	<u>726,190</u>	<u>726,190</u>	<u>-</u>
Fund balance, December 31	<u>\$ 1,887,842</u>	<u>\$ 1,618,074</u>	<u>\$ 2,588,335</u>	<u>\$ 970,261</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 390,840	\$ 454,912	\$ 411,083	\$ (43,829)
Intergovernmental	8,021,250	9,336,209	8,436,707	(899,502)
Reimbursements	19	22	20	(2)
Other	5,647	6,573	5,940	(633)
Total revenues	<u>8,417,756</u>	<u>9,797,716</u>	<u>8,853,750</u>	<u>(943,966)</u>
Expenditures:				
Current:				
Human services				
Personal services	3,863,534	4,502,650	4,109,714	392,936
Materials and supplies	221,422	258,050	235,531	22,519
Contractual services	4,319,639	5,034,206	4,594,882	439,324
Capital outlay	92,256	107,517	98,134	9,383
Total expenditures	<u>8,496,851</u>	<u>9,902,423</u>	<u>9,038,261</u>	<u>864,162</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(79,095)</u>	<u>(104,707)</u>	<u>(184,511)</u>	<u>(79,804)</u>
Other financing sources (uses):				
Transfers in	729,884	849,537	767,688	(81,849)
Transfers out	(38,855)	(45,283)	(41,331)	3,952
Other financing sources	2,360	2,747	2,482	265
Total other financing sources (uses)	<u>693,389</u>	<u>807,001</u>	<u>728,839</u>	<u>(77,632)</u>
Net change in fund balance	614,294	702,294	544,328	(157,436)
Fund deficit, January 1	(1,108,081)	(1,108,081)	(1,108,081)	-
Prior year encumbrances appropriated.	<u>596,216</u>	<u>596,216</u>	<u>596,216</u>	<u>-</u>
Fund balance (deficit), December 31	<u>\$ 102,429</u>	<u>\$ 190,429</u>	<u>\$ 32,463</u>	<u>\$ (157,436)</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 118,902	\$ 118,902	\$ 126,069	\$ 7,167
Licenses and permits.	9,972	9,972	10,573	601
Fines and forfeitures.	135,616	135,616	143,790	8,174
Intergovernmental	6,907,783	6,907,783	7,324,164	416,381
Reimbursements	29,962	29,962	31,768	1,806
Investment income	160,786	160,786	170,478	9,692
Other	2,670	2,670	2,831	161
Total revenues	7,365,691	7,365,691	7,809,673	443,982
Expenditures:				
Current:				
Public works				
Personal services	1,760,406	2,203,088	1,877,009	326,079
Materials and supplies.	736,342	921,507	785,115	136,392
Contractual services.	2,064,562	2,583,729	2,201,311	382,418
Capital outlay	3,097,001	3,875,791	3,302,135	573,656
Total expenditures	7,658,311	9,584,115	8,165,570	1,418,545
Deficiency of revenues under expenditures.	(292,620)	(2,218,424)	(355,897)	1,862,527
Other financing sources:				
Other financing sources	14,378	14,378	15,245	867
Total other financing sources	14,378	14,378	15,245	867
Net change in fund balance	(278,242)	(2,204,046)	(340,652)	1,863,394
Fund balance, January 1.	1,217,324	1,217,324	1,217,324	-
Prior year encumbrances appropriated.	2,501,357	2,501,357	2,501,357	-
Fund balance, December 31.	\$ 3,440,439	\$ 1,514,635	\$ 3,378,029	\$ 1,863,394

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 87,501	\$ 87,501	\$ 83,764	\$ (3,737)
Other	435	435	416	(19)
Total revenues	<u>87,936</u>	<u>87,936</u>	<u>84,180</u>	<u>(3,756)</u>
Expenditures:				
Current:				
Public Works				
Contractual services	154,240	154,240	147,021	7,219
Capital outlay	64,765	64,765	61,734	3,031
Debt Service:				
Principal retirement	11,015,553	11,015,553	10,500,000	515,553
Interest and fiscal charges	364,562	364,562	347,500	17,062
Total expenditures	<u>11,599,120</u>	<u>11,599,120</u>	<u>11,056,255</u>	<u>542,865</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,511,184)</u>	<u>(11,511,184)</u>	<u>(10,972,075)</u>	<u>539,109</u>
Other financing uses:				
Proceeds from the sale of notes	10,472,264	10,472,264	10,025,000	(447,264)
Total other financing sources	<u>10,472,264</u>	<u>10,472,264</u>	<u>10,025,000</u>	<u>(447,264)</u>
Net change in fund balance	(1,038,920)	(1,038,920)	(947,075)	91,845
Fund balance, January 1	1,069,103	1,069,103	1,069,103	-
Prior year encumbrances appropriated	<u>646,270</u>	<u>646,270</u>	<u>646,270</u>	<u>-</u>
Fund balance, December 31	<u>\$ 676,453</u>	<u>\$ 676,453</u>	<u>\$ 768,298</u>	<u>\$ 91,845</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 8,647,329	\$ 9,134,106	\$ 6,579,060	\$ (2,555,046)
Tap-In Fees.	1,131,467	1,195,160	860,843	(334,317)
Special assessments.	13,300	14,049	10,119	(3,930)
Other	163,071	172,251	124,068	(48,183)
Total operating revenues	<u>9,955,167</u>	<u>10,515,566</u>	<u>7,574,090</u>	<u>(2,941,476)</u>
Operating expenses:				
Personal services	1,950,609	2,323,808	1,561,684	762,124
Materials and supplies	405,879	483,533	324,952	158,581
Contractual services	6,082,497	7,246,230	4,869,731	2,376,499
Capital outlay	4,339,252	5,169,459	3,474,065	1,695,394
Total operating expenses	<u>12,778,237</u>	<u>15,223,030</u>	<u>10,230,432</u>	<u>4,992,598</u>
Operating loss.	<u>(2,823,070)</u>	<u>(4,707,464)</u>	<u>(2,656,342)</u>	<u>2,051,122</u>
Nonoperating revenues (expenses):				
Proceeds of loans	7,601,912	8,029,840	5,783,686	(2,246,154)
Principal retirement	(1,477,876)	(1,760,631)	(1,183,208)	577,423
Interest and fiscal charges	(1,439,156)	(1,714,502)	(1,152,208)	562,294
Intergovernmental revenue.	70,649	74,626	53,751	(20,875)
Total nonoperating revenues (expenses)	<u>4,755,529</u>	<u>4,629,333</u>	<u>3,502,021</u>	<u>(1,127,312)</u>
Net income (loss) before transfers	<u>1,932,459</u>	<u>(78,131)</u>	<u>845,679</u>	<u>923,810</u>
Transfers in	136,712	144,408	104,013	(40,395)
Total transfers	<u>136,712</u>	<u>144,408</u>	<u>104,013</u>	<u>(40,395)</u>
Net change in fund balance	2,069,171	66,277	949,692	883,415
Fund balance, January 1	2,681,447	2,681,447	2,681,447	-
Prior year encumbrances appropriated	<u>2,087,588</u>	<u>2,087,588</u>	<u>2,087,588</u>	<u>-</u>
Fund balance, December 31	<u>\$ 6,838,206</u>	<u>\$ 4,835,312</u>	<u>\$ 5,718,727</u>	<u>\$ 883,415</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 8,762,327	\$ 8,762,327	\$ 7,151,768	\$ (1,610,559)
Tap-in fees.	711,180	711,180	580,462	(130,718)
Special assessments.	74,184	74,184	60,549	(13,635)
Other	166,039	166,039	135,520	(30,519)
Total operating revenues	<u>9,713,730</u>	<u>9,713,730</u>	<u>7,928,299</u>	<u>(1,785,431)</u>
Operating expenses:				
Personal services	1,256,432	1,389,957	1,260,437	129,520
Materials and supplies	562,501	622,280	564,294	57,986
Contractual services	5,094,947	5,636,405	5,111,188	525,217
Capital outlay	19,727	21,824	19,790	2,034
Total operating expenses	<u>6,933,607</u>	<u>7,670,466</u>	<u>6,955,709</u>	<u>714,757</u>
Operating income.	<u>2,780,123</u>	<u>2,043,264</u>	<u>972,590</u>	<u>(1,070,674)</u>
Nonoperating revenues (expenses):				
Proceeds of loans	1,540,209	1,540,209	1,257,111	(283,098)
Principal retirement	(1,117,860)	(1,236,658)	(1,121,423)	115,235
Interest and fiscal charges	(1,460,512)	(1,615,726)	(1,465,168)	150,558
Intergovernmental revenue	305,493	305,493	249,342	(56,151)
Total nonoperating revenues (expenses).	<u>(732,670)</u>	<u>(1,006,682)</u>	<u>(1,080,138)</u>	<u>(73,456)</u>
Net change in fund balance	2,047,453	1,036,582	(107,548)	(1,144,130)
Fund balance, January 1	603,169	603,169	603,169	-
Prior year encumbrances appropriated	<u>1,148,362</u>	<u>1,148,362</u>	<u>1,148,362</u>	<u>-</u>
Fund balance, December 31	<u>\$ 3,798,984</u>	<u>\$ 2,788,113</u>	<u>\$ 1,643,983</u>	<u>\$ (1,144,130)</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 6,189,498	\$ 6,189,498	\$ 4,032,114	\$ (2,157,384)
Other	132,613	132,613	86,390	(46,223)
Total operating revenues	<u>6,322,111</u>	<u>6,322,111</u>	<u>4,118,504</u>	<u>(2,203,607)</u>
Operating expenses:				
Current:				
Personal services	1,147,303	1,210,901	758,083	452,818
Materials and supplies	1,787,066	1,886,128	1,180,808	705,320
Contractual services	950,337	1,003,016	627,937	375,079
Capital outlay	2,143,689	2,262,519	1,416,447	846,072
Total operating expenses	<u>6,028,395</u>	<u>6,362,564</u>	<u>3,983,275</u>	<u>2,379,289</u>
Operating income (loss)	<u>293,716</u>	<u>(40,453)</u>	<u>135,229</u>	<u>175,682</u>
Nonoperating revenues (expenses):				
Proceeds of notes	7,675,251	7,675,251	5,000,000	(2,675,251)
Interest revenue	28,672	28,672	18,678	(9,994)
Principal retirement	(8,743,932)	(9,228,631)	(5,777,573)	3,451,058
Interest and fiscal charges	(1,476,439)	(1,558,281)	(975,560)	582,721
Advances out	(30,269)	(31,946)	(20,000)	11,946
Total nonoperating revenues (expenses)	<u>(2,546,717)</u>	<u>(3,114,935)</u>	<u>(1,754,455)</u>	<u>1,360,480</u>
Net loss before transfers	<u>(2,253,001)</u>	<u>(3,155,388)</u>	<u>(1,619,226)</u>	<u>1,536,162</u>
Transfers in	475,866	475,866	310,000	(165,866)
Transfers out	(469,162)	(495,169)	(310,000)	185,169
Total transfers	<u>6,704</u>	<u>(19,303)</u>	<u>-</u>	<u>19,303</u>
Net change in fund balance	<u>(2,246,297)</u>	<u>(3,174,691)</u>	<u>(1,619,226)</u>	<u>1,555,465</u>
Fund balance, January 1	<u>4,611,226</u>	<u>4,611,226</u>	<u>4,611,226</u>	<u>-</u>
Prior year encumbrances appropriated	<u>3,710,111</u>	<u>3,710,111</u>	<u>3,710,111</u>	<u>-</u>
Fund balance, December 31	<u>\$ 6,075,040</u>	<u>\$ 5,146,646</u>	<u>\$ 6,702,111</u>	<u>\$ 1,555,465</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 7,984,325	\$ 8,008,899	\$ 7,814,150	\$ (194,749)
Other	31,326	31,422	30,658	(764)
Total operating revenues	<u>8,015,651</u>	<u>8,040,321</u>	<u>7,844,808</u>	<u>(195,513)</u>
Operating expenses:				
Current:				
Personal services	6,530,612	6,567,500	6,356,268	211,232
Materials and supplies	817,121	821,737	795,307	26,430
Contractual services	898,059	903,132	874,084	29,048
Capital outlay	23,224	23,355	22,604	751
Total operating expenses	<u>8,269,016</u>	<u>8,315,724</u>	<u>8,048,263</u>	<u>267,461</u>
Operating loss	<u>(253,365)</u>	<u>(275,403)</u>	<u>(203,455)</u>	<u>71,948</u>
Nonoperating revenues (expenses):				
Principal retirement	(127,218)	(127,937)	(123,822)	4,115
Interest and fiscal charges	(12,865)	(12,938)	(12,522)	416
Proceeds from capital leases	11,350	11,385	11,108	(277)
Total nonoperating revenues (expenses)	<u>(128,733)</u>	<u>(129,490)</u>	<u>(125,236)</u>	<u>4,254</u>
Net loss before operating transfers	<u>-</u>	<u>(404,893)</u>	<u>(328,691)</u>	<u>76,202</u>
Transfers in	95,793	96,088	93,751	(2,337)
Total transfers	<u>95,793</u>	<u>96,088</u>	<u>93,751</u>	<u>(2,337)</u>
Net change in fund balance	<u>(382,098)</u>	<u>(308,805)</u>	<u>(234,940)</u>	<u>73,865</u>
Fund balance, January 1	503,965	503,965	503,965	-
Prior year encumbrances appropriated	105,671	105,671	105,671	-
Fund balance, December 31	<u>\$ 227,538</u>	<u>\$ 300,831</u>	<u>\$ 374,696</u>	<u>\$ 73,865</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.

Ohio Scenic Byway

To account for the Ohio scenic byway grant.

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, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets:				
Equity in pooled cash and cash equivalents.	\$ 7,662,946	\$ 672,960	\$ 517,974	\$ 8,853,880
Receivables (net of allowances of uncollectibles):				
Real estate and other taxes.	1,115,792	-	-	1,115,792
Accounts.	50,375	-	-	50,375
Special assessments	-	234,045	-	234,045
Interfund loan receivable	112,616	-	-	112,616
Loans receivable	122,429	-	-	122,429
Accrued interest	85	-	-	85
Due from other governments.	523,134	-	-	523,134
Due from other funds.	19,903	14,541	-	34,444
Total assets	<u>\$ 9,607,280</u>	<u>\$ 921,546</u>	<u>\$ 517,974</u>	<u>\$ 11,046,800</u>
Liabilities:				
Accounts payable	\$ 119,316	\$ -	\$ 89,310	\$ 208,626
Contracts payable	-	-	120,349	120,349
Accrued wages and benefits	119,224	-	-	119,224
Pension benefit obligation payable.	5,483	-	-	5,483
Interfund loans payable	20,000	-	-	20,000
Loans from other funds	6,401	-	-	6,401
Due to other funds	28,007	-	-	28,007
Due to other governments	19,267	-	-	19,267
Deferred revenue	1,173,425	234,045	-	1,407,470
Total liabilities	<u>1,491,123</u>	<u>234,045</u>	<u>209,659</u>	<u>1,934,827</u>
Fund Balances:				
Reserved for debt service	-	687,501	-	687,501
Reserved for loans	122,429	-	-	122,429
Unreserved, undesignated, reported in:				
Special revenue funds	7,993,728	-	-	7,993,728
Capital projects funds	-	-	308,315	308,315
Total fund balances.	<u>8,116,157</u>	<u>687,501</u>	<u>308,315</u>	<u>9,111,973</u>
Total liabilities and fund balances	<u>\$ 9,607,280</u>	<u>\$ 921,546</u>	<u>\$ 517,974</u>	<u>\$ 11,046,800</u>

ERIE COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:				
Property taxes	\$ 770,833	\$ -	\$ -	\$ 770,833
Sales taxes	1,613,340	-	-	1,613,340
Charges for services	2,232,737	-	1,250	2,233,987
Licenses and permits	227,525	-	-	227,525
Fines and forfeitures	255,711	-	-	255,711
Intergovernmental	6,560,495	-	-	6,560,495
Special assessments	-	506,173	-	506,173
Investment income	71,053	-	5,232	76,285
Reimbursements	323,808	14,541	-	338,349
Other	71,287	500,263	2,500	574,050
Total revenues	<u>12,126,789</u>	<u>1,020,977</u>	<u>8,982</u>	<u>13,156,748</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	2,673,882	-	-	2,673,882
Judicial	110,461	-	-	110,461
Public safety.	3,062,718	-	-	3,062,718
Health	592,778	-	-	592,778
Human services	4,373,421	-	-	4,373,421
Economic development and assistance	717,827	-	-	717,827
Other	60,344	-	-	60,344
Capital outlay.	-	-	1,566,105	1,566,105
Debt service:				
Principal retirement	2,350,000	973,855	2,270,000	5,593,855
Interest and fiscal charges.	-	422,230	68,802	491,032
Total expenditures	<u>13,941,431</u>	<u>1,396,085</u>	<u>3,904,907</u>	<u>19,242,423</u>
Excess (deficiency) of revenues over (under) expenditures.	<u>(1,814,642)</u>	<u>(375,108)</u>	<u>(3,895,925)</u>	<u>(6,085,675)</u>
Other financing sources (uses):				
Proceeds from sale of bonds	-	-	55,525	55,525
Issuance of notes.	1,150,000	-	2,500,000	3,650,000
Transfers in	2,042,675	876,398	428,000	3,347,073
Transfers out	(400,000)	(197,764)	-	(597,764)
Total other financing sources (uses)	<u>2,792,675</u>	<u>678,634</u>	<u>2,983,525</u>	<u>6,454,834</u>
Net change in fund balances.	978,033	303,526	(912,400)	369,159
Fund balances at beginning of year	<u>7,138,124</u>	<u>383,975</u>	<u>1,220,715</u>	<u>8,742,814</u>
Fund balances at end of year.	<u>\$ 8,116,157</u>	<u>\$ 687,501</u>	<u>\$ 308,315</u>	<u>\$ 9,111,973</u>

ERIE COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006

	<u>Children Services</u>	<u>Child Support Enforcement</u>	<u>Certificate of Title Administration</u>	<u>Dog and Kennel</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 843,265	\$ 419,268	\$ 192,047	\$ 199,148
Receivables (net of allowances of uncollectibles):				
Real estate and other taxes.	-	-	-	-
Accounts.	-	-	18,711	595
Interfund loan receivable	-	-	-	-
Loans receivable.	-	-	-	-
Accrued interest	-	-	85	-
Due from other governments	121,622	-	-	-
Due from other funds	-	-	-	-
Total assets.	<u>\$ 964,887</u>	<u>\$ 419,268</u>	<u>\$ 210,843</u>	<u>\$ 199,743</u>
Liabilities:				
Accounts payable.	\$ 14,539	\$ 648	\$ 600	\$ 6,815
Accrued wages and benefits	-	37,765	4,160	4,745
Pension benefit obligation payable.	-	-	540	417
Interfund loans payable	-	-	-	-
Loans from other funds.	-	-	-	-
Due to other funds	-	26,878	-	347
Due to other governments	177	-	-	-
Deferred revenue.	-	-	-	-
Total liabilities.	<u>14,716</u>	<u>65,291</u>	<u>5,300</u>	<u>12,324</u>
Fund Balances:				
Reserved for loans	-	-	-	-
Unreserved, undesignated, (deficit), reported in:				
Special revenue funds	<u>950,171</u>	<u>353,977</u>	<u>205,543</u>	<u>187,419</u>
Total fund balances (deficits)	<u>950,171</u>	<u>353,977</u>	<u>205,543</u>	<u>187,419</u>
Total liabilities and fund balances	<u>\$ 964,887</u>	<u>\$ 419,268</u>	<u>\$ 210,843</u>	<u>\$ 199,743</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>
\$ 303,180	\$ 260,586	\$ 259,613	\$ 54,771	\$ 147,471	\$ 1,507,027	\$ 179,824
-	-	-	-	-	-	-
-	-	-	-	1,606	-	-
-	-	112,616	-	-	-	-
-	-	122,429	-	-	-	-
-	-	-	-	-	-	-
-	-	114,820	-	-	-	175,171
1,357	-	-	-	-	-	-
<u>\$ 304,537</u>	<u>\$ 260,586</u>	<u>\$ 609,478</u>	<u>\$ 54,771</u>	<u>\$ 149,077</u>	<u>\$ 1,507,027</u>	<u>\$ 354,995</u>
\$ 16,331	\$ 3,003	\$ 1,360	\$ -	\$ 14,330	\$ 12,321	\$ 1,142
5,963	2,896	-	-	8	8,982	31,972
765	371	-	-	-	774	969
-	-	-	-	-	-	-
-	-	6,401	-	-	-	-
-	-	-	-	-	-	333
-	-	-	-	-	-	1,960
-	-	-	-	-	-	-
<u>23,059</u>	<u>6,270</u>	<u>7,761</u>	<u>-</u>	<u>14,338</u>	<u>22,077</u>	<u>36,376</u>
-	-	122,429	-	-	-	-
<u>281,478</u>	<u>254,316</u>	<u>479,288</u>	<u>54,771</u>	<u>134,739</u>	<u>1,484,950</u>	<u>318,619</u>
<u>281,478</u>	<u>254,316</u>	<u>601,717</u>	<u>54,771</u>	<u>134,739</u>	<u>1,484,950</u>	<u>318,619</u>
<u>\$ 304,537</u>	<u>\$ 260,586</u>	<u>\$ 609,478</u>	<u>\$ 54,771</u>	<u>\$ 149,077</u>	<u>\$ 1,507,027</u>	<u>\$ 354,995</u>

(continued)

ERIE COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006

	<u>Probate Court</u>	<u>County Court</u>	<u>Public Defender</u>	<u>Sheriff Special Account</u>
Assets:				
Equity in pooled cash and cash equivalents.	\$ 31,246	\$ 1,568,244	\$ 59,393	\$ 67,365
Receivables (net of allowances of uncollectibles):				
Real estate and other taxes.	-	-	-	-
Accounts.	1,356	27,327	-	780
Interfund loan receivable	-	-	-	-
Loans receivable.	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	4,500
Due from other funds	-	-	-	-
Total assets.	<u>\$ 32,602</u>	<u>\$ 1,595,571</u>	<u>\$ 59,393</u>	<u>\$ 72,645</u>
Liabilities:				
Accounts payable.	\$ -	\$ 6,045	\$ 14,515	\$ -
Accrued wages and benefits	-	-	7,457	5,879
Pension benefit obligation payable.	-	-	-	473
Interfund loans payable	-	-	-	-
Loans from other funds.	-	-	-	-
Due to other funds	-	-	264	-
Due to other governments	-	-	23	380
Deferred revenue.	-	-	-	-
Total liabilities.	<u>-</u>	<u>6,045</u>	<u>22,259</u>	<u>6,732</u>
Fund Balances:				
Reserved for loans	-	-	-	-
Unreserved, undesignated, (deficit), reported in:				
Special revenue funds	<u>32,602</u>	<u>1,589,526</u>	<u>37,134</u>	<u>65,913</u>
Total fund balances (deficits)	<u>32,602</u>	<u>1,589,526</u>	<u>37,134</u>	<u>65,913</u>
Total liabilities and fund balances	<u>\$ 32,602</u>	<u>\$ 1,595,571</u>	<u>\$ 59,393</u>	<u>\$ 72,645</u>

<u>Drug Task Force</u>	<u>Adult Probation</u>	<u>Emergency Management</u>	<u>Ohio Scenic Byway</u>	<u>Crime Victim Assistance</u>	<u>Lodging Excise Tax</u>	<u>Senior Citizens Levy</u>
\$ 60,306	\$ 19,899	\$ 331,383	\$ 25,000	\$ 60,170	\$ 713,366	\$ 23,953
-	-	-	-	-	-	1,115,792
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	42,732	-	-	14,263	-	50,026
-	-	-	-	-	-	-
<u>\$ 60,306</u>	<u>\$ 62,631</u>	<u>\$ 331,383</u>	<u>\$ 25,000</u>	<u>\$ 74,433</u>	<u>\$ 713,366</u>	<u>\$ 1,189,771</u>
\$ -	\$ -	\$ 574	\$ -	\$ 2,363	\$ -	\$ -
155	2,109	1,878	-	2,806	-	-
21	273	244	-	378	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	185	-	-	-	-
-	16,711	-	-	-	-	-
-	-	-	-	7,607	-	1,165,818
<u>176</u>	<u>19,093</u>	<u>2,881</u>	<u>-</u>	<u>13,154</u>	<u>-</u>	<u>1,165,818</u>
-	-	-	-	-	-	-
<u>60,130</u>	<u>43,538</u>	<u>328,502</u>	<u>25,000</u>	<u>61,279</u>	<u>713,366</u>	<u>23,953</u>
<u>60,130</u>	<u>43,538</u>	<u>328,502</u>	<u>25,000</u>	<u>61,279</u>	<u>713,366</u>	<u>23,953</u>
<u>\$ 60,306</u>	<u>\$ 62,631</u>	<u>\$ 331,383</u>	<u>\$ 25,000</u>	<u>\$ 74,433</u>	<u>\$ 713,366</u>	<u>\$ 1,189,771</u>

(continued)

ERIE COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2006

	<u>Treasurer's Prepaid Interest</u>	<u>Solid Waste District</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 71,951	\$ 264,470	\$ 7,662,946
Receivables (net of allowances of uncollectibles):			
Real estate and other taxes.	-	-	1,115,792
Accounts.	-	-	50,375
Interfund loan receivable	-	-	112,616
Loans receivable.	-	-	122,429
Accrued interest	-	-	85
Due from other governments	-	-	523,134
Due from other funds	-	18,546	19,903
	<hr/>	<hr/>	<hr/>
Total assets.	<u>\$ 71,951</u>	<u>\$ 283,016</u>	<u>\$ 9,607,280</u>
Liabilities:			
Accounts payable.	\$ -	\$ 24,730	\$ 119,316
Accrued wages and benefits	587	1,862	119,224
Pension benefit obligation payable.	75	183	5,483
Interfund loans payable	-	20,000	20,000
Loans from other funds.	-	-	6,401
Due to other funds	-	-	28,007
Due to other governments	-	16	19,267
Deferred revenue.	-	-	1,173,425
	<hr/>	<hr/>	<hr/>
Total liabilities.	<u>662</u>	<u>46,791</u>	<u>1,491,123</u>
Fund Balances:			
Reserved for loans	-	-	122,429
Unreserved, undesignated, (deficit), reported in:			
Special revenue funds	71,289	236,225	7,993,728
	<hr/>	<hr/>	<hr/>
Total fund balances (deficits)	<u>71,289</u>	<u>236,225</u>	<u>8,116,157</u>
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Total liabilities and fund balances	<u>\$ 71,951</u>	<u>\$ 283,016</u>	<u>\$ 9,607,280</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, 2006

	<u>Children Services</u>	<u>Child Support Enforcement</u>	<u>Certificate of Title Administration</u>	<u>Dog and Kennel</u>
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Charges for services	33,118	364,212	282,497	25,581
Licenses and permits	-	-	-	227,525
Fines and forfeitures	-	-	-	5,857
Intergovernmental	1,320,898	1,471,185	-	-
Investment income	-	-	1,534	-
Reimbursements	243,772	-	-	-
Other	-	2,258	-	3,723
Total revenues	<u>1,597,788</u>	<u>1,837,655</u>	<u>284,031</u>	<u>262,686</u>
Expenditures:				
Current:				
General government:				
Legislative and executive	-	-	258,390	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health	-	-	-	223,036
Human services	1,863,000	1,637,758	-	-
Economic development and assistance	-	-	-	-
Other	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	<u>1,863,000</u>	<u>1,637,758</u>	<u>258,390</u>	<u>223,036</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(265,212)</u>	<u>199,897</u>	<u>25,641</u>	<u>39,650</u>
Other financing sources (uses):				
Issuance of notes	-	-	-	-
Transfers in	1,300,000	-	-	-
Transfers out	<u>(400,000)</u>	-	-	-
Total other financing sources (uses)	<u>900,000</u>	-	-	-
Net change in fund balances	634,788	199,897	25,641	39,650
Fund balances at beginning of year	<u>315,383</u>	<u>154,080</u>	<u>179,902</u>	<u>147,769</u>
Fund balances (deficits) at end of year	<u>\$ 950,171</u>	<u>\$ 353,977</u>	<u>\$ 205,543</u>	<u>\$ 187,419</u>

Real Estate Assessment	Delinquent Real Estate	Community Development Block Grant	Community Rotary	Court Computerization	Youth Services	Northern Ohio Juvenile Corrections
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
925,835	782	-	4,250	84,059	-	-
-	-	-	-	-	-	-
-	-	-	-	6,787	-	-
-	195,457	797,546	-	-	664,368	928,187
-	-	26,402	-	-	-	-
18,670	1,340	648	-	-	-	31,637
26,500	-	2,057	2,041	-	3,413	3,313
<u>971,005</u>	<u>197,579</u>	<u>826,653</u>	<u>6,291</u>	<u>90,846</u>	<u>667,781</u>	<u>963,137</u>
873,788	232,778	-	-	-	-	-
-	-	-	-	74,613	-	-
-	-	-	-	-	830,258	1,001,611
-	-	-	-	-	-	-
-	-	690,035	27,792	-	-	-
-	-	-	-	-	-	-
<u>873,788</u>	<u>232,778</u>	<u>690,035</u>	<u>27,792</u>	<u>74,613</u>	<u>830,258</u>	<u>1,001,611</u>
97,217	(35,199)	136,618	(21,501)	16,233	(162,477)	(38,474)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>97,217</u>	<u>(35,199)</u>	<u>136,618</u>	<u>(21,501)</u>	<u>16,233</u>	<u>(162,477)</u>	<u>(38,474)</u>
184,261	289,515	465,099	76,272	118,506	1,647,427	357,093
<u>\$ 281,478</u>	<u>\$ 254,316</u>	<u>\$ 601,717</u>	<u>\$ 54,771</u>	<u>\$ 134,739</u>	<u>\$ 1,484,950</u>	<u>\$ 318,619</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, 2006

	Probate Court	County Court	Public Defender	Sheriff Special Account
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Charges for services	36,266	50,136	-	11,006
Licenses and permits	-	-	-	-
Fines and forfeitures	266	224,037	-	7,624
Intergovernmental	-	5,405	-	64,232
Investment income	-	-	-	-
Reimbursements	-	-	-	1,060
Other	485	-	-	16,743
Total revenues	37,017	279,578	-	100,665
Expenditures:				
Current:				
General government:				
Legislative and executive	-	-	-	-
Judicial	21,288	14,560	-	-
Public safety	-	-	668,599	99,143
Health	-	-	-	-
Human services	-	-	-	-
Economic development and assistance	-	-	-	-
Other	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Total expenditures	21,288	14,560	668,599	99,143
Excess (deficiency) of revenues over (under) expenditures	15,729	265,018	(668,599)	1,522
Other financing sources (uses):				
Proceeds from sale of notes	-	-	-	-
Transfers in	-	-	697,922	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	697,922	-
Net change in fund balances	15,729	265,018	29,323	1,522
Fund balances at beginning of year	16,873	1,324,508	7,811	64,391
Fund balances (deficits) at end of year	\$ 32,602	\$ 1,589,526	\$ 37,134	\$ 65,913

Drug Task Force	Adult Probation	Emergency Management	Ohio Scenic Byway	Crime Victim Assistance	Lodging Excise Tax	Senior Citizens Levy
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 770,833
-	-	-	-	-	1,613,340	-
-	23,951	18,775	-	-	-	-
-	-	-	-	-	-	-
11,140	-	-	-	-	-	-
80,000	217,402	305,334	25,000	167,064	-	116,017
-	-	-	-	-	-	-
-	-	21,245	-	-	-	-
4,996	-	88	-	5,670	-	-
<u>96,136</u>	<u>241,353</u>	<u>345,442</u>	<u>25,000</u>	<u>172,734</u>	<u>1,613,340</u>	<u>886,850</u>
-	-	-	-	162,350	1,071,556	-
-	-	-	-	-	-	-
84,673	169,305	209,129	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	872,663
-	60,344	-	-	-	-	-
-	-	-	-	-	2,350,000	-
<u>84,673</u>	<u>229,649</u>	<u>209,129</u>	<u>-</u>	<u>162,350</u>	<u>3,421,556</u>	<u>872,663</u>
<u>11,463</u>	<u>11,704</u>	<u>136,313</u>	<u>25,000</u>	<u>10,384</u>	<u>(1,808,216)</u>	<u>14,187</u>
-	-	-	-	-	1,150,000	-
-	-	44,753	-	-	-	-
-	-	-	-	-	-	-
-	-	<u>44,753</u>	<u>-</u>	<u>-</u>	<u>1,150,000</u>	<u>-</u>
11,463	11,704	181,066	25,000	10,384	(658,216)	14,187
48,667	31,834	147,436	-	50,895	1,371,582	9,766
<u>\$ 60,130</u>	<u>\$ 43,538</u>	<u>\$ 328,502</u>	<u>\$ 25,000</u>	<u>\$ 61,279</u>	<u>\$ 713,366</u>	<u>\$ 23,953</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, 2006

	Treasurer's Prepaid Interest	Solid Waste District	HAVA Federal Elections	Total
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ 770,833
Sales taxes	-	-	-	1,613,340
Charges for services	-	372,269	-	2,232,737
Licenses and permits	-	-	-	227,525
Fines and forfeitures	-	-	-	255,711
Intergovernmental	-	202,400	-	6,560,495
Investment income	43,117	-	-	71,053
Reimbursements	-	5,436	-	323,808
Other	-	-	-	71,287
Total revenues	43,117	580,105	-	12,126,789
Expenditures:				
Current:				
General government:				
Legislative and executive	55,585	-	19,435	2,673,882
Judicial	-	-	-	110,461
Public safety	-	-	-	3,062,718
Health	-	369,742	-	592,778
Human services	-	-	-	4,373,421
Economic development and assistance	-	-	-	717,827
Other	-	-	-	60,344
Debt service:				
Principal retirement	-	-	-	2,350,000
Total expenditures	55,585	369,742	19,435	13,941,431
Excess (deficiency) of revenues over (under) expenditures	(12,468)	210,363	(19,435)	(1,814,642)
Other financing sources (uses):				
Proceeds from sale of notes	-	-	-	1,150,000
Transfers in	-	-	-	2,042,675
Transfers out	-	-	-	(400,000)
Total other financing sources (uses)	-	-	-	2,792,675
Net change in fund balances	(12,468)	210,363	(19,435)	978,033
Fund balances at beginning of year	83,757	25,862	19,435	7,138,124
Fund balances (deficits) at end of year.	\$ 71,289	\$ 236,225	\$ -	\$ 8,116,157

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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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 31,719	\$ 31,719	\$ 33,118	\$ 1,399
Intergovernmental	1,179,732	1,179,732	1,231,775	52,043
Reimbursements	233,473	233,473	243,772	10,299
Total revenues	<u>1,444,924</u>	<u>1,444,924</u>	<u>1,508,665</u>	<u>63,741</u>
Expenditures:				
Current:				
Human services				
Materials and supplies	26,204	26,204	20,493	5,711
Contractual services	2,546,101	2,546,101	1,991,226	554,875
Total expenditures	<u>2,572,305</u>	<u>2,572,305</u>	<u>2,011,719</u>	<u>560,586</u>
Deficiency of revenues under expenditures	<u>(1,127,381)</u>	<u>(1,127,381)</u>	<u>(503,054)</u>	<u>624,327</u>
Other financing sources (uses):				
Transfers in	1,245,076	1,245,076	1,300,000	54,924
Transfers out	<u>(511,464)</u>	<u>(511,464)</u>	<u>(400,000)</u>	<u>(111,464)</u>
Total other financing sources (uses)	<u>733,612</u>	<u>733,612</u>	<u>900,000</u>	<u>(56,540)</u>
Net change in fund balance	(393,769)	(393,769)	396,946	567,787
Fund balance, January 1.	222,051	222,051	222,051	-
Prior year encumbrances appropriated.	<u>224,268</u>	<u>224,268</u>	<u>224,268</u>	<u>-</u>
Fund balance, December 31.	<u>\$ 52,550</u>	<u>\$ 52,550</u>	<u>\$ 843,265</u>	<u>\$ 567,787</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 401,044	\$ 401,044	\$ 385,223	\$ (15,821)
Intergovernmental	1,531,605	1,531,605	1,471,185	(60,420)
Other	2,351	2,351	2,258	(93)
Total revenues	<u>1,935,000</u>	<u>1,935,000</u>	<u>1,858,666</u>	<u>(76,334)</u>
Expenditures:				
Current:				
Human services				
Personal services	1,591,304	1,591,304	1,338,394	252,910
Materials and supplies.	15,382	15,382	12,937	2,445
Contractual services.	454,032	454,032	381,871	72,161
Total expenditures	<u>2,060,718</u>	<u>2,060,718</u>	<u>1,733,202</u>	<u>327,516</u>
Net change in fund balance	(125,718)	(125,718)	125,464	251,182
Fund balance, January 1	158,189	158,189	158,189	-
Prior year encumbrances appropriated	<u>135,615</u>	<u>135,615</u>	<u>135,615</u>	<u>-</u>
Fund balance, December 31	<u>\$ 168,086</u>	<u>\$ 168,086</u>	<u>\$ 419,268</u>	<u>\$ 251,182</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 281,533	\$ 281,533	\$ 285,181	\$ 3,648
Investment income	1,467	1,467	1,486	19
Total revenues	<u>283,000</u>	<u>283,000</u>	<u>286,667</u>	<u>3,667</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Personal services	349,668	349,668	247,146	102,522
Materials and supplies.	6,633	6,633	4,688	1,945
Contractual services.	8,277	8,277	5,850	2,427
Total expenditures	<u>364,578</u>	<u>364,578</u>	<u>257,684</u>	<u>106,894</u>
Net change in fund balance	(81,578)	(81,578)	28,983	110,561
Fund balance, January 1.	157,052	157,052	157,052	-
Prior year encumbrances appropriated.	<u>6,012</u>	<u>6,012</u>	<u>6,012</u>	<u>-</u>
Fund balance, December 31.	<u>\$ 81,486</u>	<u>\$ 81,486</u>	<u>\$ 192,047</u>	<u>\$ 110,561</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 24,761	\$ 24,761	\$ 26,071	\$ 1,310
Licenses and permits.	216,408	216,408	227,861	11,453
Fines and forfeitures.	5,296	5,296	5,576	280
Other	3,507	3,507	3,693	186
Total revenues	<u>249,972</u>	<u>249,972</u>	<u>263,201</u>	<u>13,229</u>
Expenditures:				
Current:				
Health				
Personal services	182,177	177,096	175,371	1,725
Materials and supplies.	16,591	27,269	15,971	11,298
Contractual services.	25,509	25,712	24,556	1,156
Total expenditures	<u>224,277</u>	<u>230,077</u>	<u>215,898</u>	<u>14,179</u>
Excess (deficiency) of revenues under expenditures	25,695	19,895	47,303	27,408
Other financing sources :				
Other financing sources	28	28	30	(2)
Total other financing sources.	<u>28</u>	<u>28</u>	<u>30</u>	<u>(2)</u>
Net change in fund balance	25,723	19,923	47,333	27,406
Fund balance, January 1	148,916	148,916	148,916	-
Prior year encumbrances appropriated	2,899	2,899	2,899	-
Fund balance, December 31	<u>\$ 177,538</u>	<u>\$ 171,738</u>	<u>\$ 199,148</u>	<u>\$ 27,406</u>

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 890,127	\$ 921,593	\$ 925,835	\$ 4,242
Reimbursements	17,895	18,528	18,613	85
Total revenues	<u>908,022</u>	<u>940,121</u>	<u>944,448</u>	<u>4,327</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Personal services	460,222	510,329	379,347	130,982
Materials and supplies.	62,759	69,591	51,730	17,861
Contractual services.	521,861	578,680	430,155	148,525
Capital outlay	4,790	5,311	3,948	1,363
Total expenditures	<u>1,049,632</u>	<u>1,163,911</u>	<u>865,180</u>	<u>298,731</u>
Excess (deficiency) of revenues over (under) expenditures	(141,610)	(223,790)	79,268	303,058
Other financing sources:				
Other financing sources	25,478	26,379	26,500	(121)
Total other financing sources.	<u>25,478</u>	<u>26,379</u>	<u>26,500</u>	<u>(121)</u>
Net change in fund balance	(116,132)	(197,411)	105,768	302,937
Fund balance, January 1.	62,724	62,724	62,724	-
Prior year encumbrances appropriated.	<u>134,688</u>	<u>134,688</u>	<u>134,688</u>	<u>-</u>
Fund balance, December 31	<u>\$ 81,280</u>	<u>\$ 1</u>	<u>\$ 303,180</u>	<u>\$ 302,937</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 798	\$ 798	\$ 782	\$ (16)
Intergovernmental	199,335	199,335	195,457	(3,878)
Reimbursements	1,367	1,367	1,340	(27)
Total revenues	201,500	201,500	197,579	(3,921)
Expenditures:				
Current:				
General government:				
Legislative and executive				
Personal services	128,418	199,051	194,710	4,341
Materials and supplies.	22,184	34,385	33,635	750
Contractual services	485	751	735	16
Total expenditures	151,087	234,187	229,080	5,107
Net change in fund balance	50,413	(32,687)	(31,501)	1,186
Fund balance, January 1	292,087	292,087	292,087	-
Fund balance, December 31	\$ 342,500	\$ 259,400	\$ 260,586	\$ 1,186

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 879,171	\$ 1,024,579	\$ 682,726	\$ (341,853)
Investment income	33,826	39,421	26,268	(13,153)
Reimbursements	834	972	648	(324)
Total revenues	<u>913,831</u>	<u>1,064,972</u>	<u>709,642</u>	<u>(355,330)</u>
Expenditures:				
Current:				
Economic development and assistance				
Contractual services	<u>952,389</u>	<u>1,350,244</u>	<u>962,624</u>	<u>387,620</u>
Total expenditures	<u>952,389</u>	<u>1,350,244</u>	<u>962,624</u>	<u>387,620</u>
Deficiency of revenues under expenditures.	(38,558)	(285,272)	(252,982)	32,290
Other financing sources:				
Other financing sources	<u>36,169</u>	<u>42,151</u>	<u>28,087</u>	<u>14,064</u>
Total other financing sources	<u>36,169</u>	<u>42,151</u>	<u>28,087</u>	<u>14,064</u>
Net change in fund balance	(2,389)	(243,121)	(224,895)	46,354
Fund balance, January 1	344,062	344,062	344,062	-
Prior year encumbrances appropriated.	<u>140,446</u>	<u>140,446</u>	<u>140,446</u>	-
Fund balance, December 31	<u>\$ 482,119</u>	<u>\$ 241,387</u>	<u>\$ 259,613</u>	<u>\$ 46,354</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 8,107	\$ 8,107	\$ 4,250	\$ (3,857)
Other	3,893	3,893	2,041	(1,852)
Total revenues	12,000	12,000	6,291	(5,709)
Expenditures:				
Current:				
Economic development and assistance				
Materials and supplies	19,342	19,342	14,606	4,736
Contractual services.	20,262	20,262	15,300	4,962
Total expenditures	39,604	39,604	29,906	9,698
Net change in fund balance	(27,604)	(27,604)	(23,615)	3,989
Fund balance, January 1	70,782	70,782	70,782	-
Prior year encumbrances appropriated.	7,604	7,604	7,604	-
Fund balance, December 31	\$ 50,782	\$ 50,782	\$ 54,771	\$ 3,989

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 74,603	\$ 74,603	\$ 84,475	\$ 9,872
Fines and forfeitures.	6,397	6,397	7,244	847
Total revenues	81,000	81,000	91,719	10,719
Expenditures:				
Current:				
General government:				
Judicial				
Personal services.	11,268	14,339	7,228	7,111
Materials and supplies.	35,151	44,733	22,548	22,185
Contractual services.	20,271	25,796	13,003	12,793
Capital outlay	27,961	35,583	17,936	17,647
Total expenditures	94,651	120,451	60,715	59,736
Net change in fund balance	(13,651)	(39,451)	31,004	70,455
Fund balance, January 1	116,467	116,467	116,467	-
Fund balance, December 31	\$ 102,816	\$ 77,016	\$ 147,471	\$ 70,455

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 847,324	\$ 852,297	\$ 664,368	\$ (187,929)
Other	4,608	4,635	3,613	(1,022)
Total revenues	851,932	856,932	667,981	(188,951)
Expenditures:				
Current:				
Public safety				
Personal services	497,219	614,991	392,031	222,960
Materials and supplies.	55,197	68,271	43,520	24,751
Contractual services.	440,866	545,290	347,600	197,690
Capital outlay	69,571	86,049	54,853	31,196
Other	1,355	1,675	1,068	607
Total expenditures	1,064,208	1,316,276	839,072	477,204
Net change in fund balance	(212,276)	(459,344)	(171,091)	288,253
Fund balance, January 1	1,571,598	1,571,598	1,571,598	-
Prior year encumbrances appropriated.	106,520	106,520	106,520	-
Fund balance, December 31	\$ 1,465,842	\$ 1,218,774	\$ 1,507,027	\$ 288,253

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 857,612	\$ 857,612	\$ 753,016	\$ (104,596)
Reimbursements	36,031	36,031	31,637	(4,394)
Other	8,857	8,857	7,777	(1,080)
Total revenues	<u>902,500</u>	<u>902,500</u>	<u>792,430</u>	<u>(110,070)</u>
Expenditures:				
Current:				
Public safety				
Personal services	742,349	823,582	799,644	23,938
Materials and supplies.	93,631	103,877	100,858	3,019
Contractual services.	102,448	113,659	110,355	3,304
Capital outlay	6,236	6,918	6,717	201
Total expenditures	<u>944,664</u>	<u>1,048,036</u>	<u>1,017,574</u>	<u>30,462</u>
Net change in fund balance	(42,164)	(145,536)	(225,144)	(79,608)
Fund balance, January 1	358,434	358,434	358,434	-
Prior year encumbrances appropriated	46,534	46,534	46,534	-
Fund balance, December 31	<u>\$ 362,804</u>	<u>\$ 259,432</u>	<u>\$ 179,824</u>	<u>\$ (79,608)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 38,702	\$ 38,702	\$ 38,790	\$ 88
Fines and forfeitures.	814	814	816	2
Other	484	484	485	1
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>40,091</u>	<u>91</u>
Expenditures:				
Current:				
General government:				
Judicial				
Materials and supplies.	129	129	71	58
Contractual services.	<u>50,849</u>	<u>50,849</u>	<u>27,973</u>	<u>22,876</u>
Total expenditures.	<u>50,978</u>	<u>50,978</u>	<u>28,044</u>	<u>22,934</u>
Net change in fund balance	(10,978)	(10,978)	12,047	23,025
Fund balance, January 1	11,221	11,221	11,221	-
Prior year encumbrances appropriated.	<u>7,978</u>	<u>7,978</u>	<u>7,978</u>	<u>-</u>
Fund balance, December 31	<u>\$ 8,221</u>	<u>\$ 8,221</u>	<u>\$ 31,246</u>	<u>\$ 23,025</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 38,408	\$ 38,408	\$ 41,805	\$ 3,397
Fines and forfeitures.	206,626	206,626	224,902	18,276
Intergovernmental	4,966	4,966	5,405	439
Total revenues	250,000	250,000	272,112	22,112
Expenditures:				
Current:				
General government:				
Judicial				
Materials and supplies.	15,772	15,772	2,037	13,735
Contractual services.	50,158	50,158	6,478	43,680
Total expenditures	65,930	65,930	8,515	57,415
Net change in fund balance	184,070	184,070	263,597	79,527
Fund balance, January 1	1,287,717	1,287,717	1,287,717	-
Prior year encumbrances appropriated	16,930	16,930	16,930	-
Fund balance, December 31	\$ 1,488,717	\$ 1,488,717	\$ 1,568,244	\$ 79,527

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public safety				
Personal services	\$ 406,585	\$ 442,118	\$ 418,285	\$ 23,833
Materials and supplies	20,050	21,802	20,627	1,175
Contractual services	227,562	247,449	234,110	13,339
Total expenditures	<u>654,197</u>	<u>711,369</u>	<u>673,022</u>	<u>38,347</u>
Deficiency of revenues under expenditures	<u>(654,197)</u>	<u>(711,369)</u>	<u>(673,022)</u>	<u>38,347</u>
Other financing sources:				
Transfers in	640,750	697,922	697,922	-
Total other financing sources	<u>640,750</u>	<u>697,922</u>	<u>697,922</u>	<u>-</u>
Net change in fund balance	(13,447)	(13,447)	24,900	38,347
Fund balance, January 1	15,036	15,036	15,036	-
Prior year encumbrances appropriated	<u>19,457</u>	<u>19,457</u>	<u>19,457</u>	<u>-</u>
Fund balance, December 31	<u>\$ 21,046</u>	<u>\$ 21,046</u>	<u>\$ 59,393</u>	<u>\$ 38,347</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 15,787	\$ 18,612	\$ 11,096	\$ (7,516)
Fines and forfeitures	10,991	12,958	7,725	(5,233)
Intergovernmental	102,998	121,428	72,392	(49,036)
Reimbursements	1,508	1,778	1,060	(718)
Other	142	168	100	(68)
Total revenues	<u>131,426</u>	<u>154,944</u>	<u>92,373</u>	<u>(62,571)</u>
Expenditures:				
Current:				
Public safety				
Personal services	129,966	151,604	75,990	75,614
Materials and supplies	15,837	18,474	9,260	9,214
Contractual services	12,969	15,128	7,583	7,545
Capital outlay	4,276	4,988	2,500	2,488
Total expenditures	<u>163,048</u>	<u>190,194</u>	<u>95,333</u>	<u>94,861</u>
Deficiency of revenues under expenditures	(31,622)	(35,250)	(2,960)	32,290
Other financing sources:				
Other financing sources	23,679	27,917	16,643	11,274
Total other financing sources	<u>23,679</u>	<u>27,917</u>	<u>16,643</u>	<u>11,274</u>
Net change in fund balance	(7,943)	(7,333)	13,683	43,564
Fund balance, January 1	47,697	47,697	47,697	-
Prior year encumbrances appropriated	5,985	5,985	5,985	-
Fund balance, December 31	<u>\$ 45,739</u>	<u>\$ 46,349</u>	<u>\$ 67,365</u>	<u>\$ 43,564</u>

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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Fines and forfeitures	\$ 13,217	\$ 13,217	\$ 12,240	\$ (977)
Intergovernmental	86,388	86,388	80,000	(6,388)
Other	5,395	5,395	4,996	(399)
Total revenues	<u>105,000</u>	<u>105,000</u>	<u>97,236</u>	<u>(7,764)</u>
Expenditures:				
Current:				
Public safety				
Personal services	53,637	64,809	55,887	8,922
Materials and supplies	7,511	9,075	7,826	1,249
Contractual services	<u>31,640</u>	<u>38,230</u>	<u>32,967</u>	<u>5,263</u>
Total expenditures	<u>92,788</u>	<u>112,114</u>	<u>96,680</u>	<u>15,434</u>
Net change in fund balance	12,212	(7,114)	556	7,670
Fund balance, January 1.	<u>59,750</u>	<u>59,750</u>	<u>59,750</u>	<u>-</u>
Fund balance(deficit), December 31.	<u>\$ 71,962</u>	<u>\$ 52,636</u>	<u>\$ 60,306</u>	<u>\$ 7,670</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 26,167	\$ 27,795	\$ 23,951	\$ (3,844)
Intergovernmental	190,833	202,705	174,670	(28,035)
Total revenues	<u>217,000</u>	<u>230,500</u>	<u>198,621</u>	<u>(31,879)</u>
Expenditures:				
Current:				
Public safety				
Personal services	137,758	137,758	135,817	1,941
Other	17,107	17,107	16,866	241
Total expenditures	<u>154,865</u>	<u>154,865</u>	<u>152,683</u>	<u>2,182</u>
Excess (deficiency) of revenues over (under) expenditures	62,135	75,635	45,938	(29,697)
Other financing uses:				
Other financing uses	<u>(61,206)</u>	<u>(61,206)</u>	<u>(60,344)</u>	<u>(862)</u>
Total other financing uses	<u>(61,206)</u>	<u>(61,206)</u>	<u>(60,344)</u>	<u>(862)</u>
Net change in fund balance	929	14,429	(14,406)	(30,559)
Fund balance, January 1	<u>34,305</u>	<u>34,305</u>	<u>34,305</u>	<u>-</u>
Fund balance, December 31	<u>\$ 35,234</u>	<u>\$ 48,734</u>	<u>\$ 19,899</u>	<u>\$ (30,559)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 32,335	\$ 32,335	\$ 20,000	\$ (12,335)
Intergovernmental	493,656	493,656	305,334	(188,322)
Reimbursements	34,348	34,348	21,245	(13,103)
Total revenues	<u>560,339</u>	<u>560,339</u>	<u>346,579</u>	<u>(213,760)</u>
Expenditures:				
Current:				
Public safety				
Personal services	91,517	111,622	111,525	97
Materials and supplies	51,533	62,854	62,800	54
Contractual services	23,055	28,119	28,095	24
Capital outlay	113,159	138,020	137,900	120
Total expenditures	<u>279,264</u>	<u>340,615</u>	<u>340,320</u>	<u>295</u>
Excess (deficiency) of revenues over (under) expenditures	281,075	219,724	6,259	(213,465)
Other financing sources:				
Transfers in	72,355	72,355	44,753	27,602
Other financing sources	142	142	88	54
Total other financing sources	<u>72,497</u>	<u>72,497</u>	<u>44,841</u>	<u>27,656</u>
Net change in fund balance	353,572	292,221	51,100	(185,809)
Fund balance, January 1	276,459	276,459	276,459	-
Prior year encumbrances appropriated	<u>3,824</u>	<u>3,824</u>	<u>3,824</u>	<u>-</u>
Fund balance, December 31	<u>\$ 633,855</u>	<u>\$ 572,504</u>	<u>\$ 331,383</u>	<u>\$ (185,809)</u>

ERIE COUNTY, OHIO

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 OHIO SCENIC BYWAY
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 25,000	\$ 25,000	\$ -
Total revenues	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
 Net change in fund balance	-	25,000	25,000	-
 Fund balance, January 1.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance, December 31	<u><u>\$ -</u></u>	<u><u>\$ 25,000</u></u>	<u><u>\$ 25,000</u></u>	<u><u>\$ -</u></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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 126,101	\$ 230,572	\$ 162,004	\$ (68,568)
Other	4,413	8,070	5,670	(2,400)
Total revenues	<u>130,514</u>	<u>238,642</u>	<u>167,674</u>	<u>(70,968)</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Personal services	110,300	203,398	131,152	72,246
Materials and supplies.	11,177	20,611	13,290	7,321
Contractual services	14,450	26,647	17,182	9,465
Total expenditures	<u>135,927</u>	<u>250,656</u>	<u>161,624</u>	<u>89,032</u>
Net change in fund balance	(5,413)	(12,014)	6,050	18,064
Fund balance, January 1.	49,464	49,464	49,464	-
Prior year encumbrances appropriated	4,656	4,656	4,656	-
Fund balance, December 31	<u>\$ 48,707</u>	<u>\$ 42,106</u>	<u>\$ 60,170</u>	<u>\$ 18,064</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales taxes	\$ 1,189,348	\$ 1,311,332	\$ 1,798,128	\$ 486,796
Total revenues	<u>1,189,348</u>	<u>1,311,332</u>	<u>1,798,128</u>	<u>486,796</u>
Expenditures:				
Current:				
Legislative and executive				
Materials and supplies	688,286	740,853	901,602	(160,749)
Contractual services	76,340	82,171	100,000	(17,829)
Total legislative and executive	<u>764,626</u>	<u>823,024</u>	<u>1,001,602</u>	<u>(178,578)</u>
Debt service:				
Principal retirement	1,794,000	1,931,012	2,350,000	(418,988)
Interest and fiscal charges	60,099	64,689	78,725	(14,036)
Total debt service	<u>1,854,099</u>	<u>1,995,701</u>	<u>2,428,725</u>	<u>(433,024)</u>
Total expenditures	<u>2,618,725</u>	<u>2,818,725</u>	<u>3,430,327</u>	<u>(611,602)</u>
Deficiency of revenues under expenditures	<u>(1,429,377)</u>	<u>(1,507,393)</u>	<u>(1,632,199)</u>	<u>(124,806)</u>
Other financing sources:				
Proceeds from the sale of notes	760,652	838,668	1,150,000	(311,332)
Total other financing sources	<u>760,652</u>	<u>838,668</u>	<u>1,150,000</u>	<u>(311,332)</u>
Net change in fund balance	(668,725)	(668,725)	(482,199)	(436,138)
Fund balance, January 1	<u>1,195,565</u>	<u>1,195,565</u>	<u>1,195,565</u>	<u>-</u>
Fund balance, December 31	<u>\$ 526,840</u>	<u>\$ 526,840</u>	<u>\$ 713,366</u>	<u>\$ (436,138)</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 851,447	\$ 851,447	\$ 756,646	\$ (94,801)
Intergovernmental	130,553	130,553	116,017	(14,536)
Total revenues	<u>982,000</u>	<u>982,000</u>	<u>872,663</u>	<u>(109,337)</u>
Expenditures:				
Current:				
Human services				
Materials and supplies.	982,000	982,000	872,663	109,337
Total expenditures	<u>982,000</u>	<u>982,000</u>	<u>872,663</u>	<u>109,337</u>
Net change in fund balance	-	-	-	-
Fund balance, January 1	<u>282</u>	<u>282</u>	<u>282</u>	<u>-</u>
Fund balance, December 31	<u>\$ 282</u>	<u>\$ 282</u>	<u>\$ 282</u>	<u>\$ -</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 40,000	\$ 40,000	\$ 42,048	\$ 2,048
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>42,048</u>	<u>2,048</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Personal services	41,343	51,707	48,832	2,875
Materials and supplies.	<u>5,730</u>	<u>7,166</u>	<u>6,768</u>	<u>398</u>
Total expenditures	<u>47,073</u>	<u>58,873</u>	<u>55,600</u>	<u>3,273</u>
Net change in fund balance	(7,073)	(18,873)	(13,552)	5,321
Fund balance, January 1.	<u>85,503</u>	<u>85,503</u>	<u>85,503</u>	<u>-</u>
Fund balance, December 31	<u>\$ 78,430</u>	<u>\$ 66,630</u>	<u>\$ 71,951</u>	<u>\$ 5,321</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 226,330	\$ 426,048	\$ 372,075	\$ (53,973)
Intergovernmental	123,119	231,760	202,400	(29,360)
Reimbursements	3,307	6,225	5,436	(789)
Total revenues	<u>352,756</u>	<u>664,033</u>	<u>579,911</u>	<u>(84,122)</u>
Expenditures:				
Current:				
Health				
Personal services	90,590	169,963	89,538	80,425
Materials and supplies.	38,537	72,301	38,089	34,212
Contractual services.	241,920	453,886	239,111	214,775
Other	4,057	7,612	4,010	3,602
Total health.	<u>375,104</u>	<u>703,762</u>	<u>370,748</u>	<u>333,014</u>
Total expenditures	<u>371,047</u>	<u>703,762</u>	<u>370,748</u>	<u>333,014</u>
Excess (deficiency) of revenues over (under) expenditures	(18,291)	(39,729)	209,163	248,892
Other financing sources (uses):				
Transfers in	1,329	2,501	2,184	(317)
Transfers out.	(2,210)	(4,146)	(2,184)	(1,962)
Advances in	12,166	22,901	20,000	(2,901)
Total other financing sources (uses)	<u>11,285</u>	<u>21,256</u>	<u>20,000</u>	<u>(5,180)</u>
Net change in fund balance	(7,006)	(18,473)	229,163	243,712
Fund balance, January 1.	1,710	1,710	1,710	-
Prior year encumbrances appropriated	<u>33,597</u>	<u>33,597</u>	<u>33,597</u>	<u>-</u>
Fund balance, December 31	<u>\$ 28,301</u>	<u>\$ 16,834</u>	<u>\$ 264,470</u>	<u>\$ 243,712</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
General government:				
Legislative and executive				
Materials and supplies	\$ 105	\$ 105	\$ 105	\$ -
Contractual services	19,330	19,330	19,330	-
Total expenditures	<u>19,435</u>	<u>19,435</u>	<u>19,435</u>	<u>-</u>
Net change in fund balance	(19,435)	(19,435)	(19,435)	-
Fund balance, January 1	<u>19,435</u>	<u>19,435</u>	<u>19,435</u>	<u>-</u>
Fund balance, December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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ERIE COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2006

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
Assets:			
Equity in pooled cash and cash equivalents.	\$ 633,625	\$ 39,335	\$ 672,960
Receivables (net of allowances of uncollectibles):			
Special assessments	-	234,045	234,045
Due from other funds	14,541	-	14,541
	<u>648,166</u>	<u>273,380</u>	<u>921,546</u>
Total assets	<u>\$ 648,166</u>	<u>\$ 273,380</u>	<u>\$ 921,546</u>
Liabilities:			
Deferred revenue.	\$ -	\$ 234,045	\$ 234,045
Total liabilities	<u>-</u>	<u>234,045</u>	<u>234,045</u>
Fund Balances:			
Reserved for debt service	<u>648,166</u>	<u>39,335</u>	<u>687,501</u>
Total fund balances	<u>648,166</u>	<u>39,335</u>	<u>687,501</u>
Total liabilities and fund balances.	<u>\$ 648,166</u>	<u>\$ 273,380</u>	<u>\$ 921,546</u>

ERIE COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	General Obligation Bond Retirement	Special Assessment Bond Retirement	Total
Revenues:			
Special assessments	\$ -	\$ 506,173	\$ 506,173
Reimbursements	14,541	-	14,541
Other	500,263	-	500,263
Total revenues	<u>514,804</u>	<u>506,173</u>	<u>1,020,977</u>
Expenditures:			
Debt service:			
Principal retirement	600,000	373,855	973,855
Interest and fiscal charges	355,115	67,115	422,230
Total expenditures	<u>955,115</u>	<u>440,970</u>	<u>1,396,085</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(440,311)</u>	<u>65,203</u>	<u>(375,108)</u>
Other financing sources (uses):			
Transfers in	876,398	-	876,398
Transfers out	(93,751)	(104,013)	(197,764)
Total other financing sources (uses)	<u>782,647</u>	<u>(104,013)</u>	<u>678,634</u>
Net change in fund balances	342,336	(38,810)	303,526
Fund balances at beginning of year	<u>305,830</u>	<u>78,145</u>	<u>383,975</u>
Fund balances at end of year	<u><u>\$ 648,166</u></u>	<u><u>\$ 39,335</u></u>	<u><u>\$ 687,501</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Other	\$ 381,158	\$ 381,158	\$ 500,263	\$ 119,105
Total revenues	<u>381,158</u>	<u>381,158</u>	<u>500,263</u>	<u>119,105</u>
Expenditures:				
Current:				
Debt service:				
Principal retirement.	600,000	600,000	600,000	-
Interest and fiscal charges	<u>355,146</u>	<u>355,146</u>	<u>355,115</u>	<u>31</u>
Total expenditures.	<u>955,146</u>	<u>955,146</u>	<u>955,115</u>	<u>31</u>
Deficiency of revenues under expenditures.	<u>(573,988)</u>	<u>(573,988)</u>	<u>(454,852)</u>	<u>119,136</u>
Other financing sources (uses):				
Transfers in	667,742	667,742	876,398	208,656
Transfers out.	<u>(93,754)</u>	<u>(93,754)</u>	<u>(93,751)</u>	<u>3</u>
Total other financing sources (uses)	<u>573,988</u>	<u>573,988</u>	<u>782,647</u>	<u>208,659</u>
Net change in fund balance	-	-	327,795	327,795
Fund balance, January 1	<u>305,830</u>	<u>305,830</u>	<u>305,830</u>	<u>-</u>
Fund balance, December 31	<u>\$ 305,830</u>	<u>\$ 305,830</u>	<u>\$ 633,625</u>	<u>\$ 327,795</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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Special assessments	\$ 560,000	\$ 560,000	\$ 506,173	\$ (53,827)
Total revenues	<u>560,000</u>	<u>560,000</u>	<u>506,173</u>	<u>(53,827)</u>
Expenditures:				
Current:				
Debt service:				
Principal retirement	373,913	373,913	373,855	58
Interest and fiscal charges.	<u>67,125</u>	<u>67,125</u>	<u>67,115</u>	<u>10</u>
Total expenditures	<u>441,038</u>	<u>441,038</u>	<u>440,970</u>	<u>68</u>
Excess of revenues over expenditures.	118,962	118,962	65,203	(53,759)
Other financing uses:				
Transfers out	<u>(104,030)</u>	<u>(104,030)</u>	<u>(104,013)</u>	<u>(17)</u>
Total other financing uses	<u>(104,030)</u>	<u>(104,030)</u>	<u>(104,013)</u>	<u>(17)</u>
Net change in fund balance	14,932	14,932	(38,810)	(53,776)
Fund balance, January 1	<u>78,145</u>	<u>78,145</u>	<u>78,145</u>	<u>-</u>
Fund balance, December 31.	<u>\$ 93,077</u>	<u>\$ 93,077</u>	<u>\$ 39,335</u>	<u>\$ (53,776)</u>

ERIE COUNTY, OHIO

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2006

	<u>Building Construction</u>	<u>Drainage Improvement</u>	<u>Total</u>
Assets:			
Equity in pooled cash and cash equivalents.	\$ 365,265	\$ 152,709	\$ 517,974
Total assets.	<u>\$ 365,265</u>	<u>\$ 152,709</u>	<u>\$ 517,974</u>
Liabilities:			
Accounts payable.	\$ 89,310	\$ -	\$ 89,310
Contracts payable.	<u>120,349</u>	<u>-</u>	<u>120,349</u>
Total liabilities.	<u>209,659</u>	<u>-</u>	<u>209,659</u>
Fund Balances:			
Unreserved, undesignated, reported in:			
Capital projects funds	<u>155,606</u>	<u>152,709</u>	<u>308,315</u>
Total fund balances	<u>155,606</u>	<u>152,709</u>	<u>308,315</u>
Total liabilities and fund balances.	<u>\$ 365,265</u>	<u>\$ 152,709</u>	<u>\$ 517,974</u>

ERIE COUNTY, OHIO

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Building Construction</u>	<u>Drainage Improvement</u>	<u>Total</u>
Revenues:			
Charges for services	\$ 1,250	\$ -	\$ 1,250
Investment income	5,232	-	5,232
Other	2,500	-	2,500
Total revenues	<u>8,982</u>	<u>-</u>	<u>8,982</u>
Expenditures:			
Current:			
Capital outlay	1,559,870	6,235	1,566,105
Debt service:			
Principal retirement	2,200,000	70,000	2,270,000
Interest and fiscal charges.	66,595	2,207	68,802
Total expenditures	<u>3,826,465</u>	<u>78,442</u>	<u>3,904,907</u>
Excess (deficiency) of revenues (under) expenditures.	<u>(3,817,483)</u>	<u>(78,442)</u>	<u>(3,895,925)</u>
Other financing sources:			
Proceeds from sale of bonds	-	55,525	55,525
Issuance of notes.	2,500,000	-	2,500,000
Transfers in	428,000	-	428,000
Total other financing sources	<u>2,928,000</u>	<u>55,525</u>	<u>2,983,525</u>
Net change in fund balances.	(889,483)	(22,917)	(912,400)
Fund balances at beginning of year	<u>1,045,089</u>	<u>175,626</u>	<u>1,220,715</u>
Fund balances at end of year	<u>\$ 155,606</u>	<u>\$ 152,709</u>	<u>\$ 308,315</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 1,046	\$ 1,258	\$ 1,250	\$ (8)
Investment income	4,377	5,264	5,232	(32)
Total revenues	<u>5,423</u>	<u>6,522</u>	<u>6,482</u>	<u>(40)</u>
Expenditures:				
Current:				
Capital outlay				
Materials and supplies	1,329	1,521	1,391	130
Contractual services	76,670	87,769	80,250	7,519
Capital outlay	1,219,010	1,395,463	1,275,923	119,540
Total capital outlay	<u>1,297,009</u>	<u>1,484,753</u>	<u>1,357,564</u>	<u>127,189</u>
Debt service:				
Principal retirement.	2,101,868	2,406,115	2,200,000	206,115
Interest and fiscal charges	63,625	72,834	66,595	6,239
Total debt service	<u>2,165,493</u>	<u>2,478,949</u>	<u>2,266,595</u>	<u>212,354</u>
Total expenditures.	<u>3,462,502</u>	<u>3,963,702</u>	<u>3,624,159</u>	<u>339,543</u>
Deficiency of revenues under expenditures	(3,457,079)	(3,957,180)	(3,617,677)	339,503
Other financing sources:				
Proceeds from the sale of notes	2,091,433	2,515,337	2,500,000	(15,337)
Transfers in	358,053	430,626	428,000	(2,626)
Other financing sources	2,091	2,515	2,500	15
Total other financing sources	<u>2,451,577</u>	<u>2,948,478</u>	<u>2,930,500</u>	<u>(17,948)</u>
Net change in fund balance	(1,005,502)	(1,008,702)	(687,177)	321,555
Fund balance, January 1.	435,740	435,740	435,740	-
Prior year encumbrances appropriated	616,702	616,702	616,702	-
Fund balance, December 31.	<u>\$ 46,940</u>	<u>\$ 43,740</u>	<u>\$ 365,265</u>	<u>\$ 321,555</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Current:				
Public works				
Contractual services	\$ 78,929	\$ 78,929	\$ 46,104	\$ 32,825
Total public works	<u>78,929</u>	<u>78,929</u>	<u>46,104</u>	<u>32,825</u>
Debt Service:				
Principal retirement	119,837	119,837	70,000	49,837
Interest and fiscal charges	3,778	3,778	2,207	1,571
Total debt service	<u>123,615</u>	<u>123,615</u>	<u>72,207</u>	<u>51,408</u>
Total expenditures	<u>202,544</u>	<u>202,544</u>	<u>118,311</u>	<u>84,233</u>
Deficiency of revenues under expenditures	(202,544)	(202,544)	(118,311)	84,233
Other financing sources:				
Proceeds from the sale of bonds	130,000	130,000	55,525	74,475
Total other financing sources	<u>130,000</u>	<u>130,000</u>	<u>55,525</u>	<u>74,475</u>
Net change in fund balance	(72,544)	(72,544)	(62,786)	158,708
Fund balance, January 1	175,856	175,856	175,856	-
Prior year encumbrances appropriated	39,639	39,639	39,639	-
Fund balance, December 31	<u>\$ 142,951</u>	<u>\$ 142,951</u>	<u>\$ 152,709</u>	<u>\$ 158,708</u>

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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues:				
Charges for services	\$ 6,660,439	\$ 6,660,439	\$ 7,085,904	\$ 425,465
Other	387,596	387,596	412,355	24,759
Total operating revenues	<u>7,048,035</u>	<u>7,048,035</u>	<u>7,498,259</u>	<u>450,224</u>
Operating expenses:				
Materials and supplies	293,841	307,472	310,106	(2,634)
Claims and judgements.	7,251,424	7,587,793	7,652,799	(65,006)
Total operating expenses	<u>7,545,265</u>	<u>7,895,265</u>	<u>7,962,905</u>	<u>(67,640)</u>
Net income (loss) before transfers	<u>(497,230)</u>	<u>(847,230)</u>	<u>(464,646)</u>	<u>382,584</u>
Transfers in	51,965	51,965	55,285	3,320
Total transfers	<u>51,965</u>	<u>51,965</u>	<u>55,285</u>	<u>3,320</u>
Net change in fund balance	(445,265)	(795,265)	(409,361)	385,904
Fund balance, January 1	1,266,154	1,266,154	1,266,154	-
Prior year encumbrances appropriated	65,265	65,265	65,265	-
Fund balance, December 31.	<u>\$ 886,154</u>	<u>\$ 536,154</u>	<u>\$ 922,058</u>	<u>\$ 385,904</u>

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
Undivided Inheritance and Estate Tax Fund
Undivided General Tax Fund
Undivided Personal Tax Fund
Undivided Manufactured Home Tax Fund
Undivided Local Government Fund
Fines Distribution 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

Adult Probation Fund
Care Facility Fund
Clerk of Courts Fund
County Court Fund
Drug Task Force Fund
Family Court Fund
Probate Court Fund
Prosecutor Fund
Sheriff 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, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Investment income	\$ 1,200	\$ 1,200	\$ 1,987	\$ 787
Total revenues	<u>1,200</u>	<u>1,200</u>	<u>1,987</u>	<u>787</u>
Net change in fund balance	1,200	1,200	1,987	787
Fund balance, January 1	<u>43,754</u>	<u>43,754</u>	<u>43,754</u>	<u>-</u>
Fund balance, December 31	<u><u>\$ 44,954</u></u>	<u><u>\$ 44,954</u></u>	<u><u>\$ 45,741</u></u>	<u><u>\$ 787</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, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment income	\$ 54,910	\$ 54,910	\$ 54,910	\$ -
Total revenues	<u>54,910</u>	<u>54,910</u>	<u>54,910</u>	<u>-</u>
Excess of revenues over expenditures	<u>54,910</u>	<u>54,910</u>	<u>54,910</u>	<u>-</u>
Other financing sources (uses):				
Other financing sources	3,613,826	3,613,826	3,613,826	-
Other financing (uses).	<u>(3,676,278)</u>	<u>(3,676,278)</u>	<u>(3,676,278)</u>	<u>-</u>
Total other financing sources (uses)	<u>(62,452)</u>	<u>(62,452)</u>	<u>(62,452)</u>	<u>-</u>
Net change in fund balance.	(7,542)	(7,542)	(7,542)	-
Fund balance, January 1	432,797	432,797	432,797	-
Prior year encumbrances appropriated.	<u>28,333</u>	<u>28,333</u>	<u>28,333</u>	<u>-</u>
Fund balance, December 31	<u>\$ 453,588</u>	<u>\$ 453,588</u>	<u>\$ 453,588</u>	<u>\$ -</u>

ERIE COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance</u> <u>12.31.05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12.31.06</u>
<u>Undivided Tax Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 45,290	\$ 3,306,915	\$ (3,309,141)	\$ 43,064
Total assets.	<u>\$ 45,290</u>	<u>\$ 3,306,915</u>	<u>\$ (3,309,141)</u>	<u>\$ 43,064</u>
Liabilities:				
Due to other governments	\$ 45,290	\$ 3,306,915	\$ (3,309,141)	\$ 43,064
Total liabilities.	<u>\$ 45,290</u>	<u>\$ 3,306,915</u>	<u>\$ (3,309,141)</u>	<u>\$ 43,064</u>
<u>Undivided Inheritance and Estate Tax Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 500,169	\$ 3,400,366	\$ (2,993,419)	\$ 907,116
Total assets.	<u>\$ 500,169</u>	<u>\$ 3,400,366</u>	<u>\$ (2,993,419)</u>	<u>\$ 907,116</u>
Liabilities:				
Due to other governments	\$ 500,169	\$ 3,400,366	\$ (2,993,419)	\$ 907,116
Total liabilities.	<u>\$ 500,169</u>	<u>\$ 3,400,366</u>	<u>\$ (2,993,419)</u>	<u>\$ 907,116</u>
<u>Undivided General Tax Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 3,692,018	\$ 110,496	\$ (320,281)	\$ 3,482,233
Real and other taxes receivable.	77,073,565	82,182,494	(77,073,565)	82,182,494
Total assets.	<u>\$ 80,765,583</u>	<u>\$ 82,292,990</u>	<u>\$ (77,393,846)</u>	<u>\$ 85,664,727</u>
Liabilities:				
Due to other governments	\$ 80,765,583	\$ 82,292,990	\$ (77,393,846)	\$ 85,664,727
Total liabilities.	<u>\$ 80,765,583</u>	<u>\$ 82,292,990</u>	<u>\$ (77,393,846)</u>	<u>\$ 85,664,727</u>
<u>Undivided Personal Tax Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 441,131	\$ 389,620	\$ (441,131)	\$ 389,620
Real and other taxes receivable.	16,262,728	12,892,936	(16,262,728)	12,892,936
Total assets.	<u>\$ 16,703,859</u>	<u>\$ 13,282,556</u>	<u>\$ (16,703,859)</u>	<u>\$ 13,282,556</u>
Liabilities:				
Due to other governments	\$ 16,703,859	\$ 13,282,556	\$ (16,703,859)	\$ 13,282,556
Total liabilities.	<u>\$ 16,703,859</u>	<u>\$ 13,282,556</u>	<u>\$ (16,703,859)</u>	<u>\$ 13,282,556</u>
<u>Undivided Manufactured Home Tax Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 19,694	\$ 178,435	\$ (177,979)	\$ 20,150
Total assets.	<u>\$ 19,694</u>	<u>\$ 178,435</u>	<u>\$ (177,979)</u>	<u>\$ 20,150</u>
Liabilities:				
Due to other governments	\$ 19,694	\$ 178,435	\$ (177,979)	\$ 20,150
Total liabilities.	<u>\$ 19,694</u>	<u>\$ 178,435</u>	<u>\$ (177,979)</u>	<u>\$ 20,150</u>

ERIE COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance 12.31.05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12.31.06</u>
<u>Undivided Local Government Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 7,556,311	\$ (7,556,309)	\$ 2
Total assets.	<u>\$ -</u>	<u>\$ 7,556,311</u>	<u>\$ (7,556,309)</u>	<u>\$ 2</u>
Liabilities:				
Due to other governments	\$ -	\$ 7,556,311	\$ (7,556,309)	\$ 2
Total liabilities.	<u>\$ -</u>	<u>\$ 7,556,311</u>	<u>\$ (7,556,309)</u>	<u>\$ 2</u>
<u>Fines Distribution Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 771,488	\$ (771,014)	\$ 474
Total assets.	<u>\$ -</u>	<u>\$ 771,488</u>	<u>\$ (771,014)</u>	<u>\$ 474</u>
Liabilities:				
Due to other governments	\$ -	\$ 771,488	\$ (771,014)	\$ 474
Total liabilities.	<u>\$ -</u>	<u>\$ 771,488</u>	<u>\$ (771,014)</u>	<u>\$ 474</u>
<u>Lodging Excise Tax Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ -	\$ 1,854,231	\$ (1,854,231)	\$ -
Total assets.	<u>\$ -</u>	<u>\$ 1,854,231</u>	<u>\$ (1,854,231)</u>	<u>\$ -</u>
Liabilities:				
Due to other governments	\$ -	\$ 1,854,231	\$ (1,854,231)	\$ -
Total liabilities.	<u>\$ -</u>	<u>\$ 1,854,231</u>	<u>\$ (1,854,231)</u>	<u>\$ -</u>
<u>Care Facility Agency Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 969	\$ 147,839	\$ (147,688)	\$ 1,120
Total assets.	<u>\$ 969</u>	<u>\$ 147,839</u>	<u>\$ (147,688)</u>	<u>\$ 1,120</u>
Liabilities:				
Due to other governments	\$ 969	\$ 147,839	\$ (147,688)	\$ 1,120
Total liabilities.	<u>\$ 969</u>	<u>\$ 147,839</u>	<u>\$ (147,688)</u>	<u>\$ 1,120</u>
<u>District Board of Health Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 1,850,950	\$ 5,241,283	\$ (5,619,918)	\$ 1,472,315
Total assets.	<u>\$ 1,850,950</u>	<u>\$ 5,241,283</u>	<u>\$ (5,619,918)</u>	<u>\$ 1,472,315</u>
Liabilities:				
Due to other governments	\$ 1,816,696	\$ 5,233,895	\$ (5,585,664)	\$ 1,464,927
Accrued wages and benefits payable.	34,254	7,388	(34,254)	7,388
Total liabilities.	<u>\$ 1,850,950</u>	<u>\$ 5,241,283</u>	<u>\$ (5,619,918)</u>	<u>\$ 1,472,315</u>

(continued)

ERIE COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	Balance 12.31.05	Additions	Reductions	Balance 12.31.06
<u>Erie Regional Planning Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 7,185	\$ 335,183	\$ (313,515)	\$ 28,853
Total assets.	<u>\$ 7,185</u>	<u>\$ 335,183</u>	<u>\$ (313,515)</u>	<u>\$ 28,853</u>
Liabilities:				
Due to other governments	\$ 7,185	\$ 334,876	\$ (313,515)	\$ 28,546
Accrued wages and benefits payable.	-	307	-	307
Total liabilities.	<u>\$ 7,185</u>	<u>\$ 335,183</u>	<u>\$ (313,515)</u>	<u>\$ 28,853</u>
<u>Soil and Water Conservation Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 4,727	\$ 256,834	\$ (245,372)	\$ 16,189
Total assets.	<u>\$ 4,727</u>	<u>\$ 256,834</u>	<u>\$ (245,372)</u>	<u>\$ 16,189</u>
Liabilities:				
Due to other governments	\$ 4,410	\$ 256,655	\$ (245,055)	\$ 16,010
Accrued wages and benefits payable.	317	179	(317)	179
Total liabilities.	<u>\$ 4,727</u>	<u>\$ 256,834</u>	<u>\$ (245,372)</u>	<u>\$ 16,189</u>
<u>Mental Health Recovery Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 2,254,924	\$ 15,775,792	\$ (15,760,947)	\$ 2,269,769
Total assets.	<u>\$ 2,254,924</u>	<u>\$ 15,775,792</u>	<u>\$ (15,760,947)</u>	<u>\$ 2,269,769</u>
Liabilities:				
Due to other governments	\$ 2,253,198	\$ 15,775,350	\$ (15,759,221)	\$ 2,269,327
Accrued wages and benefits payable.	1,726	442	(1,726)	442
Total liabilities.	<u>\$ 2,254,924</u>	<u>\$ 15,775,792</u>	<u>\$ (15,760,947)</u>	<u>\$ 2,269,769</u>
<u>Family and Children First Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ (15)	\$ 353,364	\$ (219,519)	\$ 133,830
Due from other governments.	15	-	(15)	-
Total assets.	<u>\$ -</u>	<u>\$ 353,364</u>	<u>\$ (219,534)</u>	<u>\$ 133,830</u>
Liabilities:				
Due to other governments	\$ -	\$ 353,266	\$ (219,534)	\$ 133,732
Accrued wages and benefits payable.	-	98	-	98
Total liabilities.	<u>\$ -</u>	<u>\$ 353,364</u>	<u>\$ (219,534)</u>	<u>\$ 133,830</u>
<u>State of Ohio Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 636,574	\$ 1,690,027	\$ (2,160,526)	\$ 166,075
Total assets.	<u>\$ 636,574</u>	<u>\$ 1,690,027</u>	<u>\$ (2,160,526)</u>	<u>\$ 166,075</u>
Liabilities:				
Due to other governments	\$ 636,574	\$ 1,690,027	\$ (2,160,526)	\$ 166,075
Total liabilities.	<u>\$ 636,574</u>	<u>\$ 1,690,027</u>	<u>\$ (2,160,526)</u>	<u>\$ 166,075</u>

ERIE COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance</u> <u>12.31.05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12.31.06</u>
<u>Subdivisions Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ (240,684)	\$ 80,653,409	\$ (80,637,797)	\$ (225,072)
Due from other governments.	240,684	80,637,797	(80,653,409)	225,072
Total assets.	<u>\$ -</u>	<u>\$ 161,291,206</u>	<u>\$ (161,291,206)</u>	<u>\$ -</u>
Liabilities:				
Due to other governments	\$ -	\$ 161,291,206	\$ (161,291,206)	\$ -
Total liabilities.	<u>\$ -</u>	<u>\$ 161,291,206</u>	<u>\$ (161,291,206)</u>	<u>\$ -</u>
<u>Payroll Fund</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ (70,266)	\$ 682,484	\$ -	\$ 612,218
Due from other governments.	70,266	-	(70,266)	-
Total assets.	<u>\$ -</u>	<u>\$ 682,484</u>	<u>\$ (70,266)</u>	<u>\$ 612,218</u>
Liabilities:				
Due to other governments	\$ -	\$ 682,484	\$ (70,266)	\$ 612,218
Total liabilities.	<u>\$ -</u>	<u>\$ 682,484</u>	<u>\$ (70,266)</u>	<u>\$ 612,218</u>
<u>Care Facility Fund</u>				
Assets:				
Cash in segregated accounts	\$ 42,744	\$ 39,304	\$ (42,744)	\$ 39,304
Total assets.	<u>\$ 42,744</u>	<u>\$ 39,304</u>	<u>\$ (42,744)</u>	<u>\$ 39,304</u>
Liabilities:				
Deposits held and due to others	\$ 42,744	\$ 39,304	\$ (42,744)	\$ 39,304
Total liabilities.	<u>\$ 42,744</u>	<u>\$ 39,304</u>	<u>\$ (42,744)</u>	<u>\$ 39,304</u>
<u>Clerk of Courts Fund</u>				
Assets:				
Cash in segregated accounts	\$ 2,643,289	\$ 2,817,576	\$ (2,643,289)	\$ 2,817,576
Total assets.	<u>\$ 2,643,289</u>	<u>\$ 2,817,576</u>	<u>\$ (2,643,289)</u>	<u>\$ 2,817,576</u>
Liabilities:				
Deposits held and due to others	\$ 2,643,289	\$ 2,817,576	\$ (2,643,289)	\$ 2,817,576
Total liabilities.	<u>\$ 2,643,289</u>	<u>\$ 2,817,576</u>	<u>\$ (2,643,289)</u>	<u>\$ 2,817,576</u>
<u>County Court Fund</u>				
Assets:				
Cash in segregated accounts	\$ 8,206	\$ 8,824	\$ (8,206)	\$ 8,824
Total assets.	<u>\$ 8,206</u>	<u>\$ 8,824</u>	<u>\$ (8,206)</u>	<u>\$ 8,824</u>
Liabilities:				
Deposits held and due to others	\$ 8,206	\$ 8,824	\$ (8,206)	\$ 8,824
Total liabilities.	<u>\$ 8,206</u>	<u>\$ 8,824</u>	<u>\$ (8,206)</u>	<u>\$ 8,824</u>

(continued)

ERIE COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance</u> <u>12.31.05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12.31.06</u>
<u>Family Court Fund</u>				
Assets:				
Cash in segregated accounts	\$ 12,545	\$ 13,650	\$ (12,545)	\$ 13,650
Total assets.	<u>\$ 12,545</u>	<u>\$ 13,650</u>	<u>\$ (12,545)</u>	<u>\$ 13,650</u>
Liabilities:				
Deposits held and due to others	\$ 12,545	\$ 13,650	\$ (12,545)	\$ 13,650
Total liabilities.	<u>\$ 12,545</u>	<u>\$ 13,650</u>	<u>\$ (12,545)</u>	<u>\$ 13,650</u>
<u>Probate Court Fund</u>				
Assets:				
Cash in segregated accounts	\$ 98,703	\$ 61,915	\$ (98,703)	\$ 61,915
Total assets.	<u>\$ 98,703</u>	<u>\$ 61,915</u>	<u>\$ (98,703)</u>	<u>\$ 61,915</u>
Liabilities:				
Deposits held and due to others	\$ 98,703	\$ 61,915	\$ (98,703)	\$ 61,915
Total liabilities.	<u>\$ 98,703</u>	<u>\$ 61,915</u>	<u>\$ (98,703)</u>	<u>\$ 61,915</u>
<u>Prosecutor Fund</u>				
Assets:				
Cash in segregated accounts	\$ 12,307	\$ 16,076	\$ (12,307)	\$ 16,076
Total assets.	<u>\$ 12,307</u>	<u>\$ 16,076</u>	<u>\$ (12,307)</u>	<u>\$ 16,076</u>
Liabilities:				
Deposits held and due to others	\$ 12,307	\$ 16,076	\$ (12,307)	\$ 16,076
Total liabilities.	<u>\$ 12,307</u>	<u>\$ 16,076</u>	<u>\$ (12,307)</u>	<u>\$ 16,076</u>
<u>Sheriff Fund</u>				
Assets:				
Cash in segregated accounts	\$ 178,058	\$ 113,884	\$ (178,058)	\$ 113,884
Total assets.	<u>\$ 178,058</u>	<u>\$ 113,884</u>	<u>\$ (178,058)</u>	<u>\$ 113,884</u>
Liabilities:				
Deposits held and due to others	\$ 178,058	\$ 113,884	\$ (178,058)	\$ 113,884
Total liabilities.	<u>\$ 178,058</u>	<u>\$ 113,884</u>	<u>\$ (178,058)</u>	<u>\$ 113,884</u>
<u>Adult Probation Fund</u>				
Assets:				
Cash in segregated accounts	\$ -	\$ 44,844	\$ -	\$ 44,844
Total assets.	<u>\$ -</u>	<u>\$ 44,844</u>	<u>\$ -</u>	<u>\$ 44,844</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 44,844	\$ -	\$ 44,844
Total liabilities.	<u>\$ -</u>	<u>\$ 44,844</u>	<u>\$ -</u>	<u>\$ 44,844</u>

ERIE COUNTY, OHIO

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>Balance</u> <u>12.31.05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12.31.06</u>
<u>Drug Task Force Fund</u>				
Assets:				
Cash in segregated accounts	\$ -	\$ 150,974	\$ -	\$ 150,974
Total assets.	<u>\$ -</u>	<u>\$ 150,974</u>	<u>\$ -</u>	<u>\$ 150,974</u>
Liabilities:				
Deposits held and due to others	\$ -	\$ 150,974	\$ -	\$ 150,974
Total liabilities.	<u>\$ -</u>	<u>\$ 150,974</u>	<u>\$ -</u>	<u>\$ 150,974</u>
<u>Total Agency Funds</u>				
Assets:				
Equity in pooled cash and cash equivalents	\$ 9,142,666	\$ 122,704,077	\$ (122,528,787)	\$ 9,317,956
Cash in segregated accounts	2,995,852	3,267,047	(2,995,852)	3,267,047
Receivables (net of allowances of uncollectibles):				
Real and other taxes	93,336,293	95,075,430	(93,336,293)	95,075,430
Due from other governments.	310,965	80,637,797	(80,723,690)	225,072
Total assets.	<u>\$ 105,785,776</u>	<u>\$ 301,684,351</u>	<u>\$ (299,584,622)</u>	<u>\$ 107,885,505</u>
Liabilities:				
Due to other governments	\$ 102,753,627	\$ 298,408,890	\$ (296,552,473)	\$ 104,610,044
Accrued wages and benefits payable.	36,297	8,414	(36,297)	8,414
Deposits held and due to others	2,995,852	3,267,047	(2,995,852)	3,267,047
Total liabilities.	<u>\$ 105,785,776</u>	<u>\$ 301,684,351</u>	<u>\$ (299,584,622)</u>	<u>\$ 107,885,505</u>

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STATISTICAL
SECTION

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ERIE COUNTY, OHIO
STATISTICAL SECTION

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

Contents

Page

Financial Trends

S 1 - S 7

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

S 8 - S 15

These schedules contain information to help the reader assess the County's most significant local revenue source,

Debt Capacity

S 16 - S 19

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

S 20 - S 23

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

S 24 - S 28

These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial reports for the relevant year. The County implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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ERIE COUNTY, OHIO
Net Assets by Component
Last Four Years
(accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<i>Governmental Activities</i>				
Invested in Capital Assets, Net of Related Debt	\$ 43,555,669	\$ 38,513,147	\$ 35,976,792	\$ 41,038,932
Restricted				
Capital Projects	1,400,666	2,660,445	5,677,432	-
Debt Service	890,034	569,560	2,182,777	2,723,398
Public Safety Programs	2,261,677	2,248,909	2,687,811	1,657,904
Public Works Projects	5,290,375	4,287,802	4,634,414	4,452,126
Health Programs	3,543,787	2,988,116	2,131,902	1,374,689
Economic Development Projects	656,488	638,971	896,348	1,105,355
Other Purposes	4,311,905	2,892,152	4,770,946	4,516,331
Unrestricted	<u>10,484,059</u>	<u>10,598,233</u>	<u>9,403,738</u>	<u>9,595,266</u>
<i>Total Governmental Activity Net Assets</i>	72,394,660	65,397,335	68,362,160	66,464,001
<i>Business-type activities</i>				
Invested in Capital Assets, Net of Related Debt	33,583,229	29,061,612	34,053,591	44,785,096
Unrestricted	<u>(6,806,303)</u>	<u>369,623</u>	<u>2,878,103</u>	<u>(5,455,089)</u>
<i>Total Business-Type Activity Net Assets</i>	26,776,926	29,431,235	36,931,694	39,330,007
<i>Total Primary Government</i>				
Invested in Capital Assets, Net of Related Debt	77,138,898	67,574,759	70,030,383	85,824,028
Restricted	18,354,932	16,285,955	22,981,630	15,829,803
Unrestricted	<u>3,677,756</u>	<u>10,967,856</u>	<u>12,281,841</u>	<u>4,140,177</u>
<i>Total Primary Government Net Assets</i>	<u>\$ 99,171,586</u>	<u>\$ 94,828,570</u>	<u>\$ 105,293,854</u>	<u>\$ 105,794,008</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

ERIE COUNTY, OHIO
Changes in Net Assets - Primary Government
Last Four Years
(accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Program Revenues				
Governmental				
Charges for Services				
Legislative and executive	\$ 2,927,126	\$ 2,363,681	\$ 2,814,142	\$ 3,969,697
Judicial	1,577,983	943,573	1,064,450	1,159,700
Public safety	1,371,915	1,117,814	1,435,635	99,317
Public works	400,296	285,206	947,830	3,862,439
Health	1,299,972	639,348	764,953	456,422
Human services	1,199,820	1,486,157	1,084,997	973,104
Conservation and recreation	-	15,567	66,569	-
Economic development and assistance	84,923	12,250	1,024	-
Other	31,241	349,848	3,964	-
Interest and fiscal charges	533,549	790	-	-
<i>Total Charges for Services</i>	<u>9,426,825</u>	<u>7,214,234</u>	<u>8,183,564</u>	<u>10,520,679</u>
Operating Grants and Contributions				
General Government:				
Legislative and executive	355,622	295,842	165,549	162,104
Judicial	5,405	2,479	-	-
Public safety	2,252,023	2,539,674	2,817,008	1,497,491
Public works	7,242,981	6,144,609	4,204,260	3,092,224
Health	2,554,716	2,160,368	2,065,912	2,181,605
Human services	11,823,141	7,929,059	9,013,287	10,450,127
Economic development and assistance	699,946	336,047	553,938	286,541
Other	25,000	-	-	-
<i>Total Operating Grants and Contributions</i>	<u>24,958,834</u>	<u>19,408,078</u>	<u>18,819,954</u>	<u>17,670,092</u>
Capital Grants and Contributions				
Legislative and executive	-	45,963	-	-
Judicial	-	18,478	-	-
Public safety	-	47,173	-	-
Public works	-	32,430	200,000	216,512
Health	-	29,761	-	-
Human services	-	54,595	-	-
Conservation and recreation	-	467	-	-
Economic development and assistance	-	21,133	-	-
<i>Total Capital Grants and Contributions</i>	<u>-</u>	<u>250,000</u>	<u>200,000</u>	<u>216,512</u>
Total Governmental Program Revenues	<u>34,385,659</u>	<u>26,872,312</u>	<u>27,203,518</u>	<u>28,407,283</u>
Business-Type Program Revenue:				
Charges for Services				
Sewer	7,385,797	6,511,853	6,562,902	6,117,895
Water	7,653,276	7,562,090	7,514,759	7,991,121
Landfill	3,962,796	3,982,682	3,986,350	3,059,132
County Care Facility	7,814,150	8,346,646	8,250,668	7,921,144
<i>Total Charges for Services</i>	<u>26,816,019</u>	<u>26,403,271</u>	<u>26,314,679</u>	<u>25,089,292</u>
Operating Grants and Contributions				
Sewer	3,725,459	-	-	-
Water	211,950	180,513	-	-
<i>Total Operating Grants and Contributions</i>	<u>3,937,409</u>	<u>180,513</u>	<u>-</u>	<u>-</u>
Capital Grants and Contributions				
Sewer	10,119	25,805	2,220,091	69,155
Water	4,327,395	-	760,697	89,585
<i>Total Capital Grants and Contribution</i>	<u>4,337,514</u>	<u>25,805</u>	<u>2,980,788</u>	<u>158,740</u>
Total Business-Type Program Revenues	<u>35,090,942</u>	<u>26,609,589</u>	<u>29,295,467</u>	<u>25,248,032</u>
Total Primary Government Program Revenue	<u>\$ 69,476,601</u>	<u>\$ 53,481,901</u>	<u>\$ 56,498,985</u>	<u>\$ 53,655,315</u>

(continued)

ERIE COUNTY, OHIO
Changes in Net Assets - Primary Government
Last Four Years
(accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses				
Primary Government Governmental Expenses:				
General Government:				
Legislative and executive	\$ 12,405,267	\$ 11,496,817	\$ 10,660,925	\$ 9,670,194
Judicial	6,879,431	4,503,871	4,472,525	4,302,743
Public safety	10,177,442	11,123,785	10,883,001	10,114,582
Public works	4,008,180	8,869,473	3,644,897	3,915,623
Health	8,332,023	7,052,513	7,752,486	7,029,247
Human services	14,465,802	13,193,898	13,820,685	14,285,539
Conservation and recreation	-	119,624	387,953	366,444
Economic development and assistance	1,146,781	5,203,106	805,844	603,759
Other	301,971	665	806,895	1,619,823
Interest and fiscal charges	<u>904,320</u>	<u>592,492</u>	<u>790,720</u>	<u>636,282</u>
Total Governmental Program Expenses	<u>58,621,217</u>	<u>62,156,244</u>	<u>54,025,931</u>	<u>52,544,236</u>
Business-Type Expenses:				
Sewer	16,299,710	8,007,501	7,254,224	6,231,694
Water	8,464,381	8,900,896	9,185,142	8,737,249
Landfill	5,182,822	9,845,410	6,625,044	5,328,929
County Care Facility	<u>8,453,719</u>	<u>8,106,692</u>	<u>8,888,201</u>	<u>7,930,899</u>
Total Business-Type Expenses	<u>38,400,632</u>	<u>34,860,499</u>	<u>31,952,611</u>	<u>28,228,771</u>
Total - Primary Government Expenses	<u>\$ 97,021,849</u>	<u>\$ 97,016,743</u>	<u>\$ 85,978,542</u>	<u>\$ 80,773,007</u>
Net (Expense)/Revenue				
Governmental Activities	\$ (24,235,558)	\$ (35,283,932)	\$ (26,822,413)	\$ (24,136,953)
Business-Type Activities	<u>(3,309,690)</u>	<u>(8,250,910)</u>	<u>(2,657,144)</u>	<u>(2,980,739)</u>
Total Primary government net expense	<u>\$ (27,545,248)</u>	<u>\$ (43,534,842)</u>	<u>\$ (29,479,557)</u>	<u>\$ (27,117,692)</u>
General Revenues				
Governmental Revenues				
Property Taxes				
General Fund	\$ 5,664,832	\$ 5,185,358	\$ 5,289,231	\$ 4,532,306
County Board of MRDD	4,782,238	5,051,749	5,238,921	3,856,026
Senior Citizens Levy	790,739	842,202	867,153	-
Road Levy	-	-	-	840,776
Sales Tax	14,173,097	13,911,581	13,232,060	12,823,655
Grants and Entitlements not Restricted to Specific Programs	2,399,031	3,826,400	2,847,235	2,457,921
Investment Earnings	2,589,340	1,637,755	862,142	1,099,049
Miscellaneous	<u>1,031,370</u>	<u>2,102,063</u>	<u>468,355</u>	<u>1,446,627</u>
Total Governmental Revenues	<u>31,430,647</u>	<u>32,557,108</u>	<u>28,805,097</u>	<u>27,056,360</u>
Business-Type Revenues				
Investment earnings	81,256	1,222	20,571	66,113
Miscellaneous	<u>376,361</u>	<u>511,228</u>	<u>153,735</u>	<u>204,104</u>
Total Business-Type Revenues	<u>457,617</u>	<u>512,450</u>	<u>174,306</u>	<u>270,217</u>
Total General Revenues	<u>\$ 31,888,264</u>	<u>\$ 33,069,558</u>	<u>\$ 28,979,403</u>	<u>\$ 27,326,577</u>
Transfers				
Governmental Activities	(197,764)	(238,001)	(84,525)	(349,462)
Business-Type Activities	<u>197,764</u>	<u>238,001</u>	<u>84,525</u>	<u>349,462</u>
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets				
Governmental Activities	\$ 6,997,325	\$ (2,964,825)	\$ 1,898,159	\$ 2,569,945
Business-Type Activities	<u>(2,654,309)</u>	<u>(7,500,459)</u>	<u>(2,398,313)</u>	<u>(2,361,060)</u>
Total Primary Government	<u>\$ 4,343,016</u>	<u>\$ (10,465,284)</u>	<u>\$ (500,154)</u>	<u>\$ 208,885</u>

Note: Accrual-basis financial information for the county government as a whole is available back to 2003 only, the year GASB Statement 34 was implemented.

ERIE COUNTY, OHIO
Statistical Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

Fund Balances	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Fund					
Reserved	\$ 164,914	\$ 405,830	\$ 634,069	\$ 692,421	\$ 1,435,759
Unreserved:					
Designated:	1,187,567	1,187,567	1,187,567	2,000,000	2,000,000
Undesignated, Reported in:					
General Fund	<u>7,934,573</u>	<u>7,464,046</u>	<u>6,230,623</u>	<u>5,078,348</u>	<u>4,849,480</u>
Total General Fund	<u>9,287,054</u>	<u>9,057,443</u>	<u>8,052,259</u>	<u>7,770,769</u>	<u>8,285,239</u>
Other Governmental Funds					
Reserved	192,184	3,152,357	3,752,106	5,623,611	4,189,166
Unreserved:					
Undesignated, Reported in:					
Special Revenue Funds	14,774,989	9,654,898	11,505,806	8,231,651	7,061,143
Debt Service Funds	687,501	383,975	283,669	288,966	294,955
Capital Projects Funds	<u>1,076,613</u>	<u>1,678,353</u>	<u>4,309,757</u>	<u>(171,601)</u>	<u>150,279</u>
Total Other Governmental Funds	<u>16,731,287</u>	<u>14,869,583</u>	<u>19,851,338</u>	<u>13,972,627</u>	<u>11,695,543</u>
Total Governmental Funds	<u>\$ 26,018,341</u>	<u>\$ 23,927,026</u>	<u>\$ 27,903,597</u>	<u>\$ 21,743,396</u>	<u>\$ 19,980,782</u>

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 1,830,388	\$ 1,855,120	\$ 3,867,268	\$ 639,649	\$ 354,217
2,000,000	1,400,000	700,000	-	-
<u>4,817,024</u>	<u>7,263,764</u>	<u>7,798,854</u>	<u>12,097,762</u>	<u>11,706,687</u>
<u>8,647,412</u>	<u>10,518,884</u>	<u>12,366,122</u>	<u>12,737,411</u>	<u>12,060,904</u>
8,605,437	3,291,934	2,881,313	2,429,664	4,052,224
7,970,552	6,959,253	5,699,687	4,520,836	4,603,634
269,374	159,785	202,062	205,114	258,342
<u>(4,941,421)</u>	<u>880,711</u>	<u>966,393</u>	<u>1,067,530</u>	<u>(1,120,989)</u>
<u>11,903,942</u>	<u>11,291,683</u>	<u>9,749,455</u>	<u>8,223,144</u>	<u>7,793,211</u>
<u>\$ 20,551,354</u>	<u>\$ 21,810,567</u>	<u>\$ 22,115,577</u>	<u>\$ 20,960,555</u>	<u>\$ 19,854,115</u>

ERIE COUNTY, OHIO
Changes in Fund Balances - Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues				
Property and Other Local Taxes	\$ 11,047,974	\$ 11,075,917	\$ 11,319,822	\$ 9,197,089
Sales Taxes	14,061,737	13,901,743	13,090,448	13,010,239
Charges for Services	4,259,243	4,815,339	5,320,398	5,137,999
Licenses and Permits	580,402	7,375	160,800	9,738
Fines and Forfeitures	803,545	596,436	681,387	771,959
Intergovernmental	27,260,139	23,643,032	21,613,136	20,929,831
Special Assessments	652,788	668,825	815,600	864,855
Interest	2,589,340	1,637,755	862,142	957,520
Rent	222,173	-	143,518	163,648
Reimbursements	2,214,220	1,407,327	1,826,754	1,382,082
Other	1,031,370	2,074,576	468,355	1,271,515
Total Revenues	<u>64,722,931</u>	<u>59,828,325</u>	<u>56,302,360</u>	<u>53,696,475</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	11,640,810	11,150,890	9,878,987	9,242,439
Judicial	6,431,119	4,493,881	4,180,572	4,098,885
Public Safety	9,592,517	11,600,152	10,068,742	9,628,541
Public Works	6,772,270	7,841,642	6,624,106	4,285,703
Health	8,022,783	7,195,669	7,374,286	7,239,228
Human Services	13,672,942	13,261,603	13,343,714	14,378,824
Conservation and Recreation	-	112,977	367,649	366,444
Economic Development and Assistance	1,101,319	5,211,304	793,539	603,759
Other	255,790	665	794,574	1,619,823
Capital Outlay	1,810,481	2,961,926	5,886,797	1,707,902
Debt Service:				
Principal Retirement	16,100,128	14,488,699	4,106,771	1,025,925
Interest and Fiscal Charges	840,007	554,950	635,492	649,554
Total Expenditures	<u>76,240,166</u>	<u>78,874,358</u>	<u>64,055,229</u>	<u>54,847,027</u>
Excess of Revenues Over (Under) Expenditures	(11,517,235)	(19,046,033)	(7,752,869)	(1,150,552)
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	28,799	-	8,553	18,237
Inception of Capital Lease	46,770	-	-	-
Proceeds of Bonds	55,525	-	560,000	48,023
Proceeds of Notes	13,675,000	15,120,000	13,450,000	2,500,000
Premium received upon debt issuance	-	27,487	5,410	-
Advances In	-	-	-	-
Advances Out	-	-	-	-
Transfers In	4,114,761	4,434,355	4,683,548	4,243,735
Transfers Out	(4,367,810)	(4,515,233)	(4,787,486)	(4,612,549)
Other Financing Sources	-	-	-	-
Other Financing Uses	-	-	-	-
Total Other Financing Sources (Uses)	<u>13,553,045</u>	<u>15,066,609</u>	<u>13,920,025</u>	<u>2,197,446</u>
Net Change in Fund Balances	<u>\$ 2,035,810</u>	<u>\$ (3,979,424)</u>	<u>\$ 6,167,156</u>	<u>\$ 1,046,894</u>
Debt Service as a Percentage of Noncapital Expenditures				
	29.47%	24.71%	8.88%	3.26%

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 9,152,918	\$ 8,536,945	\$ 8,058,819	\$ 8,026,481	\$ 7,244,586	\$ 6,849,964
12,241,425	11,797,254	11,741,485	11,293,889	10,193,701	9,638,438
4,789,488	12,449,452	10,882,348	10,267,650	10,239,983	9,156,376
7,996	11,928	35,682	157,029	11,804	24,966
1,055,466	956,569	702,527	640,040	662,792	588,812
28,193,509	22,386,481	21,496,781	22,081,978	19,771,957	19,123,940
1,157,856	821,397	775,934	734,861	706,748	752,371
1,160,767	2,013,692	2,573,017	2,360,984	2,603,803	2,110,813
166,344	177,902	179,154	-	-	-
-	-	-	-	-	-
1,769,335	2,117,712	2,419,275	2,263,323	1,226,292	394,454
<u>59,695,104</u>	<u>61,269,332</u>	<u>58,865,022</u>	<u>57,826,235</u>	<u>52,661,666</u>	<u>48,640,134</u>
9,422,655	9,722,894	10,085,744	8,274,769	7,592,940	6,544,268
4,274,033	3,928,256	3,524,983	3,739,007	3,153,598	2,747,557
9,308,884	9,594,830	8,430,765	7,970,638	9,325,580	6,941,835
5,968,422	5,815,435	5,547,522	4,936,519	4,060,933	4,541,791
1,260,603	13,407,185	12,752,574	12,057,839	11,582,376	10,499,726
20,374,727	14,964,431	13,405,156	14,631,448	13,617,500	11,153,434
378,319	388,186	117,520	113,000	256,102	326,531
885,133	499,285	796,072	792,741	-	-
1,188,599	2,028,080	1,205,256	1,808,748	1,029,671	460,928
6,152,971	1,118,470	1,348,146	1,276,355	3,522,027	5,208,874
1,077,375	1,103,649	1,060,349	2,336,383	857,948	998,500
617,941	697,953	846,216	917,953	1,138,976	1,301,595
<u>60,909,662</u>	<u>63,268,654</u>	<u>59,120,303</u>	<u>58,855,400</u>	<u>56,137,651</u>	<u>50,725,039</u>
(1,214,558)	(1,999,322)	(255,281)	(1,029,165)	(3,475,985)	(2,084,905)
16,914	28,985	16,479	17,779	169,179	66,974
-	-	-	81,614	-	-
1,800,000	-	-	2,026,276	1,400,000	1,600,000
-	-	-	-	-	-
-	124,108	-	-	-	-
-	-	-	-	78,000	-
-	-	-	-	(78,000)	-
4,669,003	5,408,082	3,990,799	3,725,781	780,535	2,421,253
(4,849,736)	(5,457,921)	(4,043,067)	(3,769,104)	(780,535)	(1,744,642)
-	-	-	-	2,198,021	1,353,438
-	-	-	-	(489,956)	(1,550,000)
<u>1,636,181</u>	<u>103,254</u>	<u>(35,789)</u>	<u>2,082,346</u>	<u>3,277,244</u>	<u>2,147,023</u>
<u>\$ 421,623</u>	<u>\$ (1,896,068)</u>	<u>\$ (291,070)</u>	<u>\$ 1,053,181</u>	<u>\$ (198,741)</u>	<u>\$ 62,118</u>

3.20%

2.99%

3.41%

5.99%

3.95%

5.32%

ERIE COUNTY, OHIO
*Assessed and Estimated Actual Value of Taxable Property
 Last Ten Years*

Year	Real Property		Public Utility Property		General Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2006	\$ 1,717,432,360	\$ 4,906,949,600	\$ 73,115,820	\$ 292,463,280	\$ 195,095,880	\$ 1,040,511,360
2005	1,681,958,360	4,805,595,314	78,601,130	89,319,466	201,754,895	807,019,580
2004	1,681,904,050	4,805,440,143	77,740,000	88,340,909	195,791,782	783,167,128
2003	1,660,905,240	4,745,443,543	79,819,050	90,703,466	193,686,602	774,746,408
2002	1,410,457,570	4,029,878,771	82,149,870	93,352,125	205,392,223	821,568,892
2001	1,354,302,480	3,869,435,657	101,321,800	115,138,409	204,653,773	818,615,092
2000	1,175,836,450	3,359,532,714	107,571,880	122,240,773	195,011,075	780,044,300
1999	1,154,113,100	3,297,466,000	103,396,910	117,496,489	180,529,026	722,116,104
1998	1,014,287,240	2,897,963,543	98,893,220	112,378,659	172,933,838	691,735,352
1997	980,944,740	2,802,699,257	97,459,610	110,749,557	161,143,682	644,574,728

- (1) This amount is calculated by dividing the assessed value by the assessment percentage.
- (2) The percentage for all real property was 35%, for public utility property was 88% (1997-2005), and for general personal property equipment 25% (1997-2005) and 23% for inventory (2003-2005).
- (3) The total direct tax rate is per \$1,000 of assessed value

Source: Erie County Auditor

<u>Totals</u>		<u>Ratio</u>	<u>Direct Tax Rate (3)</u>
<u>Assessed Value</u>	<u>Estimated Actual Value</u>		
\$ 1,985,644,060	\$ 6,239,924,240	31.8	8.80
1,962,314,385	5,701,934,360	34.4	8.80
1,955,435,832	5,676,948,180	34.4	8.80
1,934,410,892	5,610,893,417	34.5	8.80
1,697,999,663	4,944,799,788	34.3	8.30
1,660,278,053	4,803,189,158	34.6	8.30
1,478,419,405	4,261,817,787	34.7	8.30
1,438,039,036	4,137,078,593	34.8	8.30
1,286,114,298	3,702,077,554	34.7	8.30
1,239,548,032	3,558,023,542	34.8	7.80

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ERIE COUNTY, OHIO
Property Tax Rates
Direct and Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Years

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
<u>County Units</u>										
General Operations	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30	2.30
County Board of MRDD	3.00	3.00	3.00	3.00	2.50	2.50	2.50	2.50	2.50	2.50
Senior Citizens Levy	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.00
A.D.A.M.H.S. Board	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Health District	1.00	1.00	1.00	1.00	1.00	1.00	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>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>
Total County Rate	8.80	8.80	8.80	8.80	8.30	8.30	8.30	8.30	8.30	7.80
<u>Cities</u>										
Bellevue City	6.10	6.10	6.10	6.10	6.10	6.10	6.10	-	-	-
Huron City	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.40	4.40
Sandusky City	4.95	4.95	4.95	4.95	5.51	5.51	5.51	5.51	4.25	4.25
Vermilion City	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75	10.75
<u>Villages</u>										
Bay View Village	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00
Berlin Heights Village	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Castalia Village	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66	10.66
Kelleys Island Village	8.65	8.65	8.65	8.65	10.15	15.65	18.15	18.15	20.90	20.90
Milan Village	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80
<u>Townships</u>										
Berlin Township	6.30	6.30	6.30	6.30	6.30	5.30	5.30	5.30	5.30	5.30
Florence Township	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10	6.10
Groton Township	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75	5.75
Huron Township	5.14	5.14	5.14	5.14	5.14	5.14	5.14	5.30	4.80	4.80
Margaretta Township	10.65	10.65	10.65	10.65	10.65	10.65	10.65	10.65	7.70	7.70
Milan Township	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.30	5.30
Oxford Township	4.50	4.50	4.50	4.50	4.50	4.50	3.50	3.50	3.50	3.50
Perkins Township	10.20	10.20	10.20	10.20	10.20	10.20	10.20	10.20	10.20	10.20
Vermilion Township	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	3.10	3.10
<u>School Districts</u>										
Bellevue CSD	38.80	38.80	38.80	38.80	39.30	40.00	40.60	-	-	-
Berlin-Milan LSD	57.30	57.30	57.30	57.30	58.15	58.15	58.26	59.06	58.15	58.15
EHOVE JVSD	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95	3.95
Firelands LSD	47.49	47.49	47.49	47.62	51.09	51.30	52.70	-	-	-
Huron CSD	66.35	66.35	66.35	66.35	66.83	66.83	67.10	68.00	66.76	66.76
Kelleys Island LSD	15.55	15.55	15.55	15.55	16.35	18.02	18.02	18.82	18.85	18.85
Margaretta LSD	56.80	56.80	56.80	56.80	56.80	56.80	56.80	56.80	49.05	49.05
Monroeville LSD	46.80	46.80	46.80	46.90	48.10	48.50	50.91	-	-	-
Perkins LSD	60.90	60.90	60.90	60.90	60.90	60.90	58.00	58.80	59.27	59.27
Sandusky CSD	70.55	70.55	70.55	70.55	65.20	65.30	66.04	66.84	66.84	66.84
Vermilion LSD	63.35	63.35	63.35	63.35	64.00	65.75	65.89	67.54	59.55	59.55
Western Reserve LSD	34.35	34.35	34.35	34.35	34.60	34.60	34.98	-	-	-

The rates presented in this Table represent the original voted rates.

Source: Erie County Auditor

ERIE COUNTY, OHIO
Property Tax Levies and Collections
Real and Public Utility Taxes
Last Ten Years

Year	Current Tax Levy	Current Tax Collections (1)	Percent Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Collections to Current Tax Levy
2006	\$ 3,707,230	\$ 3,558,940	96.00 %	\$ 163,372	\$ 3,722,312	100.41 %
2005	3,466,196	3,404,391	98.22	162,883	3,567,274	102.92
2004	3,125,778	3,044,090	97.39	92,850	3,136,940	100.36
2003	3,063,218	2,948,064	96.24	107,960	3,056,024	99.77
2002	3,035,598	2,977,719	98.09	98,423	3,076,142	101.34
2001	3,052,476	2,981,358	97.67	84,339	3,065,697	100.43
2000	2,975,421	2,869,210	97.17	88,784	2,957,994	99.41
1999	2,948,062	2,856,984	97.38	104,889	2,961,873	100.47
1998	2,881,137	2,711,914	97.67	81,877	2,793,791	96.97
1997	2,620,843	2,550,342	97.88	72,066	2,622,408	100.06

(1) State Reimbursement of Rollback and Homestead Exemptions are included.

(2) Penalties and interest are included, since by Ohio Law they become part of the tax obligation as assessment occurs.

Source: Erie County Auditor

Accumulated Delinquent Taxes (2)	Percent of Delinquent Taxes to Current Tax Levy
\$ 255,517	6.89 %
104,498	3.01
138,415	4.43
120,780	3.94
62,901	2.07
89,417	2.93
175,539	5.90
177,371	6.02
167,306	5.81
137,049	5.23

ERIE COUNTY, OHIO
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2006			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Cedar Fair L.P.	\$ 52,616,340	1	2.65%
Ohio Edison Company	27,340,700	2	1.38%
Visteon Corporation (Automotive Holdings Components)	21,395,480	3	1.08%
Delphi Automotive Systems, LLC	16,180,560	4	0.81%
Norfolk & Western Railway	12,996,280	5	0.65%
The Glidden Company	8,805,180	6	0.44%
Sandusky Mall Co.	7,656,360	7	0.39%
American Transmissions Systems	7,317,070	8	0.37%
Great Bear Lodge of Sandusky, LLC	7,207,870	9	0.36%
Conagra Foods Inc.	6,645,740	10	0.33%
Total	\$ 168,161,580		8.47%
Total County Assessed Valuation	\$ 1,985,644,060		

1997			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
Ohio Edison Company	\$ 50,487,300	1	3.93%
Cedar Fair L.P.	37,227,710	2	2.89%
Ford Motor Company	29,784,250	3	2.32%
General Motors Corporation	27,032,780	4	2.10%
Columbia Gas of Ohio, Inc.	13,979,200	5	1.09%
Ohio Bell Telephone	11,180,380	6	0.87%
Norfolk & Southern Railroad	10,423,760	7	0.81%
Sandusky Mall	7,613,430	8	0.59%
Glidden Company	7,158,270	9	0.56%
Sandusky Plastics	5,857,740	10	0.46%
Total	\$ 200,744,820		15.61%
Total County Assessed Valuation	\$ 1,286,114,298		

ERIE COUNTY, OHIO
SALES TAX REVENUE BY INDUSTRY
CURRENT YEAR AND NINE YEARS AGO

2006

Industry	Tax Liability	Percentage of Total
Retail Trade	\$ 7,969,208	64.02%
Accommodation and Food Services	1,254,890	10.08%
Arts, Entertainment, and Recreation	1,252,133	10.06%
Information and Telecommunications	452,446	3.63%
Real Estate and Rental & Leasing of Property	337,425	2.71%
Administrative & Support Services and Waste Management & Remediation Services	272,681	2.19%
Wholesale Trade	197,281	1.58%
Manufacturing	155,229	1.25%
Utilities	87,689	0.70%
Construction	47,517	0.38%
Other Services, Unclassified Industries, and all other industries	421,898	3.39%
Total	\$ 12,448,397	100.00%
Total County Assessed Valuation	\$ 1,985,644,060	

Source: State Department of Taxation

ERIE COUNTY, OHIO
Special Assessments Billed and Collected
Last Ten Years

Year	Special Assessments Billed	Special Assessments Collected	Percent Collected	Accumulated Delinquent (1)
2006	\$ 1,126,469	\$ 984,662	87.4%	\$ 657,546
2005	933,407	858,138	91.9	357,585
2004	1,148,300	987,616	86.0	228,684
2003	1,082,263	963,412	89.0	208,901
2002	997,134	965,663	96.8	150,949
2001	861,272	786,209	91.3	163,420
2000	731,890	733,751	100.3	179,413
1999	701,735	721,050	102.8	175,035
1998	749,850	793,015	105.8	177,873
1997	805,456	810,129	100.6	181,681

(1) Outstanding delinquent assessments include accrued interest.

Source: Erie County Auditor

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ERIE COUNTY, OHIO
Ratios of Outstanding Debt by Type
Last Ten Years

Fiscal Year	2006	2005	2004	2003	2002
Governmental Activities					
General Obligation Bonds	\$ 7,240,000	\$ 7,840,000	\$ 8,425,000	\$ 8,970,000	\$ 9,510,000
Special Assessment Bonds	1,077,448	1,395,778	1,849,477	2,336,523	2,760,500
Bond Anticipation Notes	13,675,000	15,120,000	13,450,000	2,500,000	-
Capital Leases	40,497	-	-	14,725	28,650
Business Type Activities					
General Obligation Bonds	30,325,000	32,076,000	33,772,000	22,654,584	23,738,345
Special Assessment Bonds	1,120,000	1,170,000	1,220,000	1,270,000	1,320,000
Bond Anticipation Notes	5,000,000	5,000,000	-	11,000,000	5,775,000
OWDA Loans	44,013,072	38,117,141	30,358,660	25,246,939	13,175,472
OPWC Loan	451,317	539,025	563,607	638,905	558,522
Capital Leases	317,140	478,484	129,034	201,526	322,933
Total Primary Government	\$ 103,259,474	\$ 101,736,428	\$ 89,767,778	\$ 74,833,202	\$ 57,189,422
Percentage of Personal Income (1)	0.88%	0.90%	0.83%	0.72%	0.56%
Per Capita (2)	\$ 1,321.87	\$ 1,298.09	\$ 1,138.75	\$ 950.23	\$ 725.28
Percentage of actual value of taxable property (3)	1.65%	1.78%	1.58%	1.33%	1.16%

(1) Personal income is from the Demographic Statistics - Bureau of Economic Analysis

(2) Population is from the Demographic Statistics - U.S. Bureau of the Census and Ohio Department of Development, Office of Strategic Research

(3) Actual value from - Assessed and estimated actual value of taxable property - Erie County Auditor

	2001	2000	1999	1998	1997
\$	8,869,000	\$ 9,425,800	\$ 9,958,100	\$ 9,656,100	\$ 9,605,000
	3,273,500	3,764,500	4,240,000	3,454,500	3,629,000
	-	-	-	2,642,000	1,550,000
	123,025	178,874	231,423	51,711	67,552
	23,368,106	17,380,067	12,736,528	9,132,289	8,547,150
	1,370,000	-	-	-	-
	2,575,000	5,760,000	5,760,000	10,385,000	3,400,000
	7,291,045	7,671,420	8,197,717	8,567,168	8,815,805
	432,817	277,048	147,181	155,436	161,412
	453,241	177,922	235,357	-	-
\$	<u>47,755,734</u>	<u>\$ 44,635,631</u>	<u>\$ 41,506,306</u>	<u>\$ 44,044,204</u>	<u>\$ 35,775,919</u>
	0.47%	0.44%	0.43%	0.47%	0.41%
\$	601.63	\$ 560.71	\$ 522.01	\$ 551.51	\$ 446.79
	0.99%	1.05%	1.00%	1.19%	1.01%

ERIE COUNTY, OHIO
Legal Debt Margin Information
Last Ten Years

<u>Fiscal Year</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assessed Value of County	\$ 1,985,644,060	\$ 1,962,314,385	\$ 1,955,435,832
Debt Limitation	48,141,102	47,557,860	47,385,896
Total Outstanding Debt:			
General Obligation Bonds	37,565,000	39,916,000	42,197,000
Special Assessment Bonds	2,197,448	2,565,778	3,069,477
OWDA Loans	44,013,072	38,117,141	30,358,660
OPWC Loan	451,317	539,025	563,607
Bond/Tax Anticipation Notes	<u>18,675,000</u>	<u>20,120,000</u>	<u>13,450,000</u>
Total	<u>102,901,837</u>	<u>101,257,944</u>	<u>89,638,744</u>
Exemptions:			
General Obligation Bonds	30,325,000	32,076,000	33,772,000
Special Assessment Bonds	2,197,448	2,565,778	3,069,477
OWDA Loans	44,013,072	38,117,141	30,358,660
OPWC Loan	451,317	539,025	563,607
Bond/Tax Anticipation Notes	<u>18,675,000</u>	<u>20,120,000</u>	<u>13,450,000</u>
Total	<u>95,661,837</u>	<u>93,417,944</u>	<u>81,213,744</u>
Funds available in debt service fund	<u>-</u>	<u>383,975</u>	<u>283,669</u>
Net Debt	<u>7,240,000</u>	<u>7,456,025</u>	<u>8,141,331</u>
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	<u>\$ 40,901,102</u>	<u>\$ 40,101,835</u>	<u>\$ 39,244,565</u>
(1) The Debt Limitation is calculated as follows:			
Three percent of first \$100,000,000 of assessed value	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
1 1/2 percent of next \$200,000,000 of assessed value	3,000,000	3,000,000	3,000,000
2 1/2 percent of amount of assessed value in excess of \$300,000,000	<u>42,141,102</u>	<u>41,557,860</u>	<u>41,385,896</u>
	<u>\$ 48,141,102</u>	<u>\$ 47,557,860</u>	<u>\$ 47,385,896</u>
Unvoted Legal Debt Limitation	\$ 19,856,441	\$ 19,623,144	\$ 19,554,358
Net Debt	<u>7,240,000</u>	<u>7,456,025</u>	<u>8,141,331</u>
Total Unvoted Legal Debt Margin (Debt Limitation Minus Net Debt)	<u>\$ 12,616,441</u>	<u>\$ 12,167,119</u>	<u>\$ 11,413,027</u>

(2) The Unvoted Legal Debt Limitation equals one percent of the assessed value.

Source: Erie County Auditor

<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
\$ 1,934,410,892	\$ 1,697,999,663	\$ 1,660,278,053	\$ 1,478,419,405	\$ 1,438,039,036	\$ 1,286,114,298	\$ 1,239,548,032
46,860,272	40,949,992	40,006,951	35,460,485	34,450,976	30,652,857	29,488,701
31,624,584	33,248,345	32,237,106	26,805,867	22,694,628	18,788,389	18,152,150
3,606,523	4,080,500	4,643,500	3,764,500	4,240,000	3,454,500	3,629,000
25,246,939	13,175,472	7,291,045	7,671,420	8,197,717	8,567,168	8,815,805
638,905	558,522	432,817	277,048	147,181	155,436	161,412
<u>13,500,000</u>	<u>5,775,000</u>	<u>2,575,000</u>	<u>5,760,000</u>	<u>5,760,000</u>	<u>13,027,000</u>	<u>4,950,000</u>
<u>74,616,951</u>	<u>56,837,839</u>	<u>47,179,468</u>	<u>44,278,835</u>	<u>41,039,526</u>	<u>43,992,493</u>	<u>35,708,367</u>
22,654,584	23,738,345	23,368,106	17,380,067	12,736,528	9,132,289	8,547,150
3,606,523	4,080,500	4,643,500	3,764,500	4,240,000	3,454,500	3,629,000
25,246,939	13,175,472	7,291,045	7,671,420	8,197,717	8,567,168	8,815,805
638,905	558,522	432,817	277,048	147,181	155,436	161,412
<u>13,500,000</u>	<u>5,775,000</u>	<u>2,575,000</u>	<u>5,760,000</u>	<u>5,760,000</u>	<u>10,385,000</u>	<u>3,400,000</u>
<u>65,646,951</u>	<u>47,327,839</u>	<u>38,310,468</u>	<u>34,853,035</u>	<u>31,081,426</u>	<u>31,694,393</u>	<u>24,553,367</u>
<u>288,966</u>	<u>294,955</u>	<u>269,374</u>	<u>159,785</u>	<u>202,062</u>	<u>205,114</u>	<u>258,342</u>
<u>8,681,034</u>	<u>9,215,045</u>	<u>8,599,626</u>	<u>9,266,015</u>	<u>9,756,038</u>	<u>12,092,986</u>	<u>10,896,658</u>
<u>\$ 38,179,238</u>	<u>\$ 31,734,947</u>	<u>\$ 31,407,325</u>	<u>\$ 26,194,470</u>	<u>\$ 24,694,938</u>	<u>\$ 18,559,871</u>	<u>\$ 18,592,043</u>
\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
<u>40,860,272</u>	<u>34,949,992</u>	<u>34,006,951</u>	<u>29,460,485</u>	<u>28,450,976</u>	<u>24,652,857</u>	<u>23,488,701</u>
<u>\$ 46,860,272</u>	<u>\$ 40,949,992</u>	<u>\$ 40,006,951</u>	<u>\$ 35,460,485</u>	<u>\$ 34,450,976</u>	<u>\$ 30,652,857</u>	<u>\$ 29,488,701</u>
\$ 19,344,109	\$ 16,979,997	\$ 16,602,781	\$ 14,784,194	\$ 14,380,390	\$ 12,861,143	\$ 12,395,480
<u>8,681,034</u>	<u>9,215,045</u>	<u>8,599,626</u>	<u>9,266,015</u>	<u>9,756,038</u>	<u>12,092,986</u>	<u>10,896,658</u>
<u>\$ 10,663,075</u>	<u>\$ 7,764,952</u>	<u>\$ 8,003,155</u>	<u>\$ 5,518,179</u>	<u>\$ 4,624,352</u>	<u>\$ 768,157</u>	<u>\$ 1,498,822</u>

ERIE COUNTY, OHIO
Demographic and Economic Statistics
Last Ten Years

<u>Year</u>	<u>Population (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Average Unemployment Rate for Erie County (3)</u>	<u>Personal Income (4)</u>	<u>Per Capita Personal Income (4)</u>
2006	78,116	39.6	63,208	5.90	\$ 11,751,553,715	\$ 30,881
2005	78,374	39.5	63,009	6.30	11,299,570,880	29,693
2004	78,830	39.4	62,990	6.50	10,864,972,000	28,551
2003	78,753	39.3	63,298	6.10	10,460,166,000	27,506
2002	78,851	39.2	63,315	5.70	10,264,611,000	27,056
2001	79,377	39.1	63,434	4.70	10,122,748,000	26,736
2000	79,605	39.0	63,567	4.20	10,113,622,000	26,746
1999	79,513	38.9	64,746	4.40	9,576,091,000	25,319
1998	79,861	38.8	65,110	5.00	9,317,773,000	28,852
1997	80,074	38.7	65,283	5.20	8,724,012,000	27,917

Note: 2006 income amounts are estimated using a 4% increase from prior year.
 Median Age computed at 0.1% increase from prior year

- Sources:
- (1) U.S. Bureau of the Census and Ohio Department of Development,
Office of Strategic Research
 - (2) Erie County Educational Service Center
 - (3) Ohio Bureau of Employment Services
 - (4) Bureau of Economic Analysis

ERIE COUNTY, OHIO
Principal Employers
Current Year and Nine Years Ago

Employer	2006		
	Employees	Rank	Percentage of Total Employment
Cedar Point (Seasonal)	4,500	1	11.22%
Cedar Point (Regular)	390	1	0.97%
Firelands Regional Medical Center	1,750	2	4.36%
ACH, LLC	1,660	3	4.14%
Delphi Automotive	1,091	4	2.72%
Erie County	980	5	2.44%
Lear Seating	750	6	1.87%
Kalahari Resort	750	7	1.87%
Sandusky City Schools	650	8	1.62%
Ohio Veterans Home	615	9	1.53%
Freudenberg-NOK	400	10	1.00%
Meijer Department Store	400	10	1.00%
Total	13,936		34.75%
Total Employment within the County	<u>40,100</u>		

Employer	1997		
	Employees	Rank	Percentage of Total Employment
Cedar Point (Seasonal)	4,000	1	9.78%
Cedar Point (Regular)	250	1	0.61%
Delphi Automotive	1,900	2	4.65%
ACH, LLC	1,550	3	3.79%
Firelands Regional Medical Center	1,116	4	2.73%
Erie County	923	5	2.26%
Providence Hospital	630	6	1.54%
Sandusky City Schools	555	7	1.36%
Total	10,924		26.71%
Total Employment within the County	<u>40,900</u>		

ERIE COUNTY, OHIO
Government Employees by Function/Activity
Last Ten Years

<i>Primary Government</i>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Government:							
Legislative and Executive	119	115	124	125	134	135	133
Judicial	75	75	65	67	68	68	67
Public Safety	146	134	123	128	133	131	115
Public Works	77	93	98	105	102	98	96
Health	95	93	103	107	103	104	97
Human Services	264	288	283	282	280	278	282
Department of Environmental Services	63	65	65	65	64	64	65
<i>Total - Government Employees</i>	<u>839</u>	<u>863</u>	<u>861</u>	<u>879</u>	<u>884</u>	<u>878</u>	<u>855</u>

Method: 1.00 for each full-time, 0.50 for each part-time

Source: Erie County Auditor

<u>1999</u>	<u>1998</u>	<u>1997</u>
126	122	119
69	69	69
123	120	112
61	97	101
85	102	77
269	280	283
<u>63</u>	<u>63</u>	<u>64</u>
<u>796</u>	<u>853</u>	<u>825</u>

ERIE COUNTY, OHIO
Operating Indicators by Function/Activity
Last Ten Years

Primary Government	2006	2005	2004	2003	2002
<i>Legislative & Executive</i>					
Commissioners - Number of Resolutions	611	525	592	440	525
Commissioners - Number of Meetings	58	69	69	61	57
Recorder - number of deeds recorded	4,156	4,387	4,444	4,410	4,330
Auditor - number of conveyances	3,720	3,736	3,751	3,679	3,744
Auditor - number of real estate transfers	3,621	3,885	3,907	N/A	N/A
Auditor - number of checks issued	24,767	23,133	26,884	30,324	30,558
<i>Judicial</i>					
Court of Common Pleas Cases	2,152	2,044	1,518	1,319	1,134
Juvenile Court Cases	1,636	1,502	1,671	1,689	1,863
Probate Court Cases	1,154	1,303	1,243	1,264	1,330
<i>Public Safety (Sheriff)</i>					
Number of Incidents reported	17,410	15,837	13,663	13,085	13,413
Number of Citations issued	2,471	2,003	1,734	1,611	1,709
Prisoners booker	4,277	4,494	4,519	4,148	4,422
<i>Public Works (Engineer)</i>					
Roads Resurfaced (miles)	13.41	9.40	5.50	8.67	9.12
Bridges Repaired	12	9	4	2	0
Culverts Built/Repaired	3	1	3	2	1
<i>Health</i>					
MRDD - Children Enrolled	315	334	278	266	256
MRDD - Adults	221	237	216	212	193
<i>Human Services (SCDJFS)</i>					
Average client count - food stamps	196	204	200	198	189
Average client count - day care	437	400	358	485	497
Average client count - WIA	73	93	54	106	39
Average client count - heating assistance	7	44	32	16	6
Average client count - job placement	88	215	79	135	21
Average client count - foster care	103	193	164	N/A	150
Average client count - adoption	5	19	5	2	7
Child Support collected (in thousands)	\$ 16,859	\$ 17,019	\$ 17,054	\$ 16,561	\$ 16,234
Veterans Services - clients served	172	183	194	219	199
<i>Sewer</i>					
Number of customers	253	145	259	132	N/A
<i>Water</i>					
Number of tap ins	215	199	279	603	N/A

Source: Erie County Departments

2001	2000	1999	1998	1997
622	540	520	561	473
69	70	74	72	70
4,195	4,422	4,312	4,003	3,803
3,574	3,823	4,665	3,588	3,294
N/A	N/A	N/A	N/A	N/A
30,791	32,889	N/A	N/A	N/A
1,213	1,456	1,139	567	N/A
1,991	2,261	3,704	2,655	2,697
1,353	1,346	1,449	1,404	1,505
11,166	10,239	9,699	10,734	10,668
N/A	N/A	783	N/A	N/A
4,272	3,928	3,995	4,061	4,117
9.54	10.64	8.37	9.74	6.91
4	4	3	9	1
3	3	3	6	2
227	221	212	206	164
143	182	190	190	187
175	202	52	88	161
N/A	750	N/A	N/A	N/A
25	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
164	166	268	213	115
N/A	3	3	5	2
\$ 15,844	\$ 15,933	\$ 15,735	\$ 15,110	\$ 14,486
206	98	133	208	236
N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A

ERIE COUNTY, OHIO
Capital Asset Indicators by Function/Program
Last Ten Years

Primary Government	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<i>Legislative and Executive</i>				
Administrative Office Space (square feet)				
Commissioners	5,712	5,712	5,712	5,712
Auditor	3,096	3,096	3,096	3,096
Treasurer	1,759	1,759	1,759	1,759
Prosecuting Attorney	3,576	3,576	3,576	3,576
Board of Elections	2,100	2,100	2,100	2,100
Recorder	3,096	3,096	3,096	3,096
Facilities	750	750	750	750
IT/Data Processing	1,104	1,104	1,104	1,104
Central Purchasing	1,200	1,200	1,200	1,200
Risk Management	525	525	525	525
<i>Judicial</i>				
Number of Courtrooms				
Common Pleas Court	3	2	1	1
Probate Court	1	1	1	1
Juvenile Court	4	4	4	4
Huron Municipal Court	1	1	1	1
Sandusky Municipal Court	1	1	1	1
Vermilion Municipal Court	1	1	1	1
<i>Public Safety</i>				
Patrol Vehicles	35	33	34	30
Emergency Management Response Vehicles	1	1	1	1
<i>Public Works</i>				
Centerline miles of road	140.27	140.27	140.27	142.38
Number of Bridges	129	129	129	125
Number of Culverts	859	855	854	852
Vehicles	32	31	31	33
<i>Health</i>				
MRDD Buildings	2	2	2	2
MRDD Buses and Vans	19	13	13	12
<i>Human Services</i>				
Job and Family Services Vehicles	8	7	7	7
Veterans Services Vehicles	1	1	1	1
<i>Conservation and Recreation</i>				
Number of Parks	10	9	9	8
<i>Community and Economic Development</i>				
Number of related infrastructure projects	5	3	5	4
<i>Sewer</i>				
Number of Treatment Facilities	4	4	4	4
Number of Pumping Stations	38	38	38	38
Total Lines (in miles)	147	145	143	140
<i>Water</i>				
Total Lines (in miles)	320	316	312	N/A

Source: Erie County Departments

2002	2001	2000	1999	1998	1997
5,712	5,712	5,712	5,712	5,712	5,712
3,096	3,096	3,096	3,096	3,096	3,096
1,759	1,759	1,759	1,759	1,759	1,759
3,576	3,576	3,576	3,576	3,576	3,576
2,100	2,100	2,100	2,100	2,100	2,100
3,096	3,096	3,096	3,096	3,096	3,096
750	750	750	750	750	750
1,104	1,104	1,104	0	0	0
1,200	1,200	1,200	1,200	1,200	1,200
525	525	525	525	525	525
1	1	1	1	1	1
1	1	1	1	1	1
4	4	4	4	4	3
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
34	45	32	32	32	32
1	1	1	1	1	1
142.38	142.94	142.94	142.94	142.94	142.94
125	125	125	125	123	123
850	850	849	847	846	841
38	38	36	30	30	30
2	2	2	2	2	2
12	12	11	10	10	10
6	5	5	5	5	5
1	1	1	1	1	1
7	6	5	5	5	4
4	6	4	6	4	5
4	4	4	4	4	4
38	38	38	38	38	38
140	138	132	132	142	142
N/A	N/A	N/A	N/A	N/A	N/A

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 - 2005
Connie L. Ward	2005 - 2006
Thomas J. Paul	2006 - Present

Source: Erie County Auditor.