

FRANKLIN COUNTY, OHIO

Comprehensive Annual Financial Report



For the year ended December 31, 2004
Joseph W. Testa, Auditor

About the Cover

ProMusica Chamber Orchestra

ProMusica Chamber Orchestra performs the best of works composed for small orchestras and is committed to the promotion and presentation of contemporary American repertoire and the development of new music.

Photo courtesy of ProMusica

CAPA

The Ohio Theatre's lush interior, excellent acoustics, and state-of-the-art stage facilities have made it a favorite of leading CAPA-sponsored performers.

Photo courtesy of CAPA

Columbus Children's Theatre

Columbus Children's Theatre production of [Beauty and the Beast](#)

Pictured from left To right, Scott A. Willis as Lumiere; Jake Anderson as Chip; and Susan Bunsold as Mrs. Potts.

Photo courtesy of the Columbus Children's Theatre

The Topiary Garden

Georges Seurat's famous post-impressionist painting, *A Sunday On The Island Of La Grande Jatte*, is created in topiary. It is the only topiary interpretation of a painting in existence. This "landscape of a painting of a landscape" consists of 54 topiary people, eight boats, three dogs, a monkey, a cat and a real pond. The largest figure is 12 feet tall.

Photo courtesy of the Friends of the Topiary Gardens

Franklin Park Conservatory

Franklin Park Conservatory is the only public botanical garden in the world to permanently house a signature collection of Dale Chihuly's artworks.

Photo by Terry Rishel

Columbus Symphony Orchestra

The Columbus Symphony Orchestra performs more than 110 different concerts each year for the varying musical tastes and needs of the members of its community, including classical, pops, and family-oriented concerts, as well as an impressive roster of 20 education programs and community outreach initiatives.

Photo courtesy of the Columbus Symphony Orchestra

CATCO

CATCO's 2004 production of [Arsenic and Old Lace](#)

Pictured from left to right, Linda Dorff as Martha Brewster; Ionia Zelenka as Abby Brewster; and Ken Erney as Jonathan Brewster.

Photo courtesy of CATCO

BalletMet Columbus

BalletMet has provided artistic excellence in the field of dance to Central Ohio since 1978.

Jason Hartley from BalletMet's performance of [Beauty and the Beast](#)

Photo by Will Shively

Columbus Jazz Orchestra

The Columbus Jazz Orchestra began in 1973 as a vehicle to create performance opportunities for jazz musicians in a big band setting. Thirty years later, the CJO is considered one of the world's finest jazz orchestras and a model for success, presenting big band jazz and guest artists in a concert setting to thousands each year.

Photo courtesy of Christin McCabe, Jazz Arts Group

Comprehensive Annual Financial Report

For the Year Ended December 31, 2004



Joseph W. Testa Franklin County Auditor

Prepared by the Fiscal Services Division

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Gregory P. Martin

COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended December 31, 2004
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Introductory Section



FRANKLIN COUNTY AUDITOR

JOSEPH W. TESTA

June 28, 2005

Citizens of Franklin County, Ohio:

As Auditor of Franklin County, Ohio, (the County), I am pleased to present the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2004. This CAFR conforms to generally accepted accounting principles (GAAP) as applicable to local government entities, and follows the reporting model required by Governmental Accounting Standards Board (GASB) Statement No. 34. The report has been filed with the Auditor of State pursuant to Ohio Revised Code (ORC) Section 117.38. Responsibility for the accuracy of the data and the completeness and fairness of the presentation rests with the County's management. We believe the data is accurate in all material respects and fairly reflects the County's financial position and the results of its operations. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

In implementing the County's integrated, automated accounting system, consideration was given to the incorporation of sound internal controls. These controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability and accuracy of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of the controls should not outweigh their benefits. The accounting system encompasses appropriations, encumbrances, expenditures, revenues, payroll, and capital assets and ensures the financial information generated is both accurate and reliable.

In County government, internal controls are enhanced through the separation of powers. The Commissioners, the Auditor and the Treasurer share the management and administration of the County's financial resources, providing an inherent system of checks and balances. Each of the County's elected officials and agency directors is responsible for internal controls over the cash collection function within their office. Some County offices and agencies hold money in bank accounts outside the County treasury. The individual offices and agencies are responsible for the transaction activity through and reconciliation of those accounts.

U.S. Office of Management and Budget Circular A-133 requires an independent audit to be conducted annually. The audit, which includes procedures to fulfill federal Single Audit requirements, serves to maintain and strengthen the integrity of the County's accounting and budgetary controls. Included in this CAFR is the report of Betty Montgomery, Auditor of State, on the County's financial statements for the year ended December 31, 2004. The Single Audit is published under separate cover and can be obtained by sending a written request to the Franklin County Auditor, Fiscal Services Division, 373 South High Street, 21st Floor, Columbus, Ohio 43215-6310.

The CAFR is presented in three sections: introductory, financial, and statistical. The Introductory Section includes this transmittal letter, the Certificate of Achievement awarded to the County for 2003, an organizational chart and a list of elected officials. The Financial Section contains the Independent Accountants' Report, Management's Discussion and Analysis (MD&A), the basic financial statements and notes, and the combining nonmajor and individual fund financial statements and schedules. The Statistical Section includes selected financial, economic, and demographic information that may be useful for further analysis and comparison as well as disclosures required under Rule 15c2-12 of the Securities and Exchange Commission.

The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Franklin County's MD&A can be found immediately following the Independent Accountants' Report.

Each year we also publish the Franklin County Annual Report (PAFR) that provides significant financial information in a reader-friendly format. Unlike this CAFR, the PAFR does not conform to GAAP and should be used as a supplement to, not in place of, the CAFR. Both the CAFR and the PAFR can be accessed through the Internet on our web site—<http://www.franklincountyauditor.com>.

Profile of Franklin County Government

Formed in 1803, Franklin County is a political subdivision of the State of Ohio and has only those powers conferred upon it by state law. The following offices respectively hold the primary responsibility for budgeting, accounting, and cash management in Franklin County. Each officeholder is elected to a four-year term.

The three-member Board of Commissioners (the Commissioners) serves as the taxing authority, the contracting body and the chief administrator of public services. The Commissioners adopt and oversee the annual operating budget and approve expenditures.

As the County's chief fiscal officer, the Auditor is responsible for maintaining accurate records of all money received by or paid out of the County treasury. As the tax assessor for all political subdivisions within the County, the Auditor is responsible for computing the taxing rates for personal property and real estate as determined by proper taxing authorities and popular vote.

As the County's banker, the Treasurer serves as custodian and investment officer for County funds. The Treasurer collects real estate and personal property taxes and taxes on manufactured homes. The payments are then applied to the appropriate tax accounts.

The financial statements contained within this CAFR include all funds, agencies, boards and commissions that are not legally separate and for which Franklin County (the primary government and reporting entity) is financially accountable. The County provides many services to its citizens including tax collection and distribution, civil and criminal justice systems, public safety, health assistance, human services, and road and bridge maintenance. The County also operates two public parking garages and several water supply and sewage treatment systems.

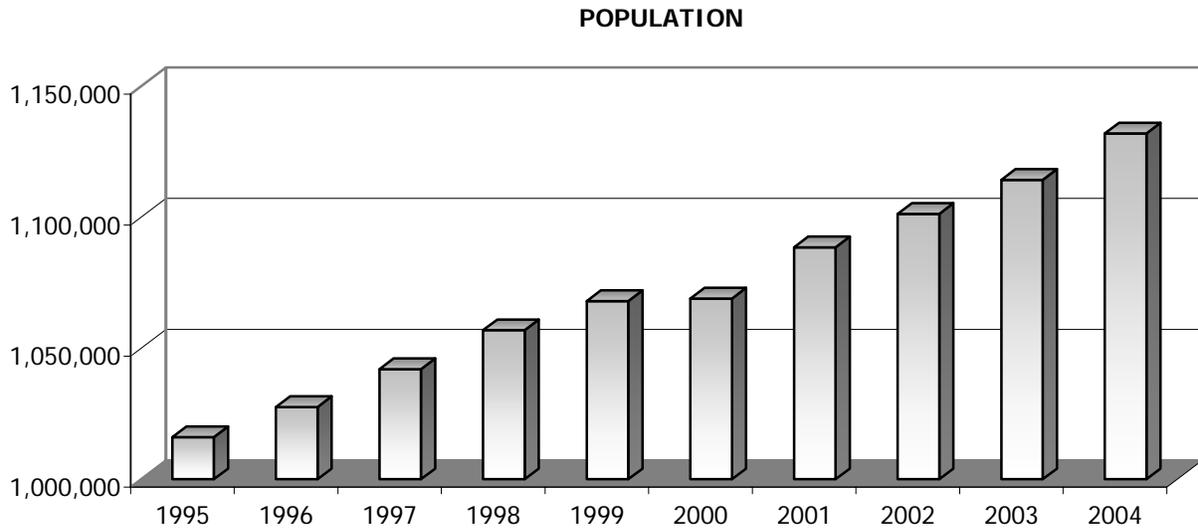
Organizations that are legally separate from the County are included as component units if the County's elected officials appoint a voting majority of the organization's governing body and (1) the County has the ability to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The following entities are included in the financial statements as component units: ARC Industries, Inc., Veterans Memorial Hall, and Stadium and Team. A complete discussion of the reporting entity is provided in note 1 to the basic financial statements.

Note 20 to the basic financial statements presents information about joint ventures with the City of Columbus, including the Franklin Park Conservatory Joint Recreation District, the Columbus/Franklin County Affordable Housing Trust Corporation and the Columbus Regional Airport Authority. Other related organizations including the Columbus Metropolitan Library, the Columbus Metropolitan Housing Authority, the Columbus and Franklin County Metropolitan Park District, the Franklin County Family and Children First Council, the New Albany Community Authority District Board of Trustees, and the Franklin County Convention Facilities Authority are discussed in note 21.

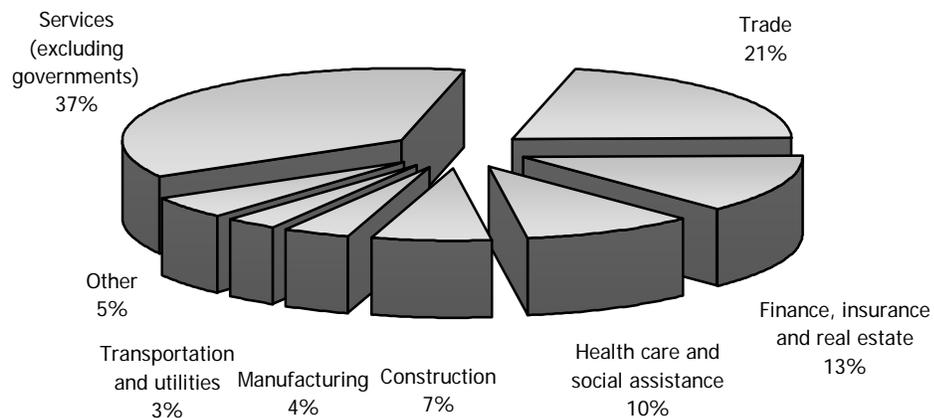
In January 2002, *Governing* magazine and The Maxwell School at Syracuse University released the results of the Government Performance Project, a collaborative study of the nation's 40 largest counties. Franklin County received a "B" overall rating. Only four counties in the United States rated a better overall grade.

Economic Condition and Outlook

The County is located in central Ohio, within 500 miles of half the nation's population. The Mid-Ohio Regional Planning Commission has estimated the County's population to be 1,131,895 at December 31, 2004, an increase of 1.6 percent for the year and 11.4 percent in the last ten years. Columbus, the largest city in the County, serves as the state capital and the county seat, and is home to The Ohio State University. The County encompasses 12 cities, 17 townships, and 14 villages.



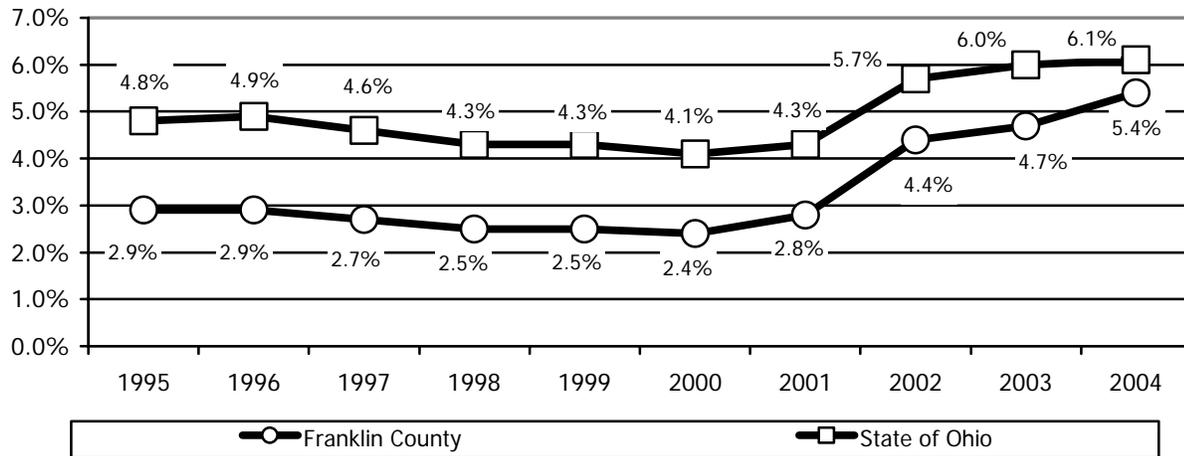
Local Economy Central Ohio is among the more economically stable metropolitan areas in the United States. If the area tends to lag a bit during boom periods, it has also shown a resiliency to endure recessions. The economy is broad-based, with no single industry dominating it. The County's 25 largest employers represent government, education, retail trade, finance, health care, manufacturing, and utilities organizations. Nationwide Insurance, Limited Brands, and Wendy's International have located their headquarters and home offices in Franklin County. The chart below shows the proportionate number of establishments in the various industries, as reported by the U.S. Census Bureau, County Business Patterns for 2002.



Four other large employers are governments – State of Ohio, U.S. Government, City of Columbus, and Franklin County; together they employ 51,000 people. Education is represented among the 25 largest employers by The Ohio State University, Columbus Public Schools, and South-Western City Schools with 28,000 employees.

Although the diversity of business sectors helps the region weather the economic fluctuations experienced on a larger scale elsewhere, Central Ohio has experienced slower economic growth in the past three years. The County's average unemployment rate increased from 4.7 percent in 2003 to 5.4 percent in 2004. The County's unemployment rate, however, was still below the state average of 6.1 percent.

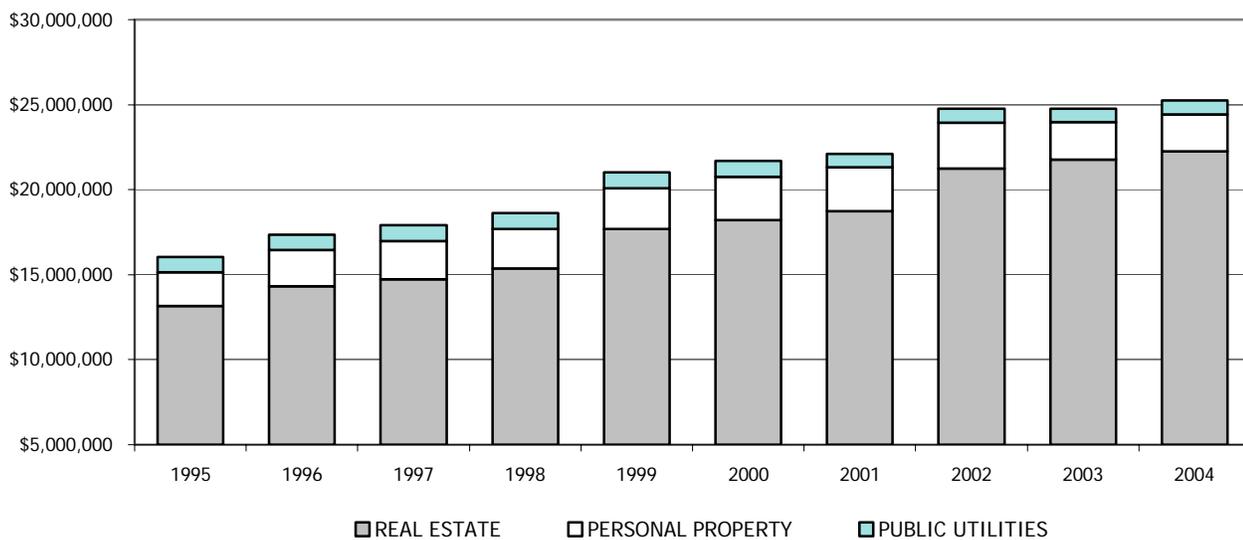
UNEMPLOYMENT RATES



A factor contributing to the lower unemployment rate is the County's well-educated workforce. Based on 2002 educational attainment data published by the U. S. Census Bureau, almost 34 percent of those age 25 and older have completed four or more years of college, and another 55 percent have graduated from high school.

The total value of new construction was \$1.5 billion in 2004, with \$1.06 billion in agricultural/residential and \$436 million in commercial/industrial construction. In comparison, 2003 total new construction was \$1.4 billion, with \$996 million in agricultural/residential and \$376 million in commercial/industrial. Overall, property continues to appreciate in value. The appraisal cycle is six years, with an update performed at the mid-point. As a result of the 2002 triennial update, residential values increased an average of 12 percent, commercial properties increased an average of 7 percent and industrial properties increased an average of 4 percent over 1999 figures. The next full revaluation will be completed for tax year 2005.

ASSESSED VALUE OF TAXABLE PROPERTY (000's omitted)



The current economic environment has resulted in a slight decline in the County's traditionally strong revenue base. A sales tax of 6.75 percent is collected by the State of Ohio on sales made in Franklin County. The tax is split as follows: 6.00 percent for the State of Ohio; 0.50 percent for the County's General Fund; and 0.25 percent for the Central Ohio Transit Authority (COTA). The County receives no direct funding through income taxes. Property taxes are a significant revenue source for the General Fund and these County agencies: Children Services, the Board of Mental Retardation and Developmental Disabilities, the Alcohol, Drug and Mental Health Board, and the Office on Aging.

Long-Term Financial Planning Franklin County's triple-A credit rating was reaffirmed by both Moody's Investors Service and Standard and Poor's Corporation in October 2003, when the County refinanced \$62.7 million of bonds that had been used to pay for various construction projects over the past twenty years. The lower interest rate will save the County about \$788,000 a year in debt service. While the County has historically expressed a preference to fund capital improvements from current tax revenues and existing fund balances, its triple-A rating and debt capacity position it well for future capital market financings.

The capital budgeting process utilizes a detailed five-year capital plan based on these major criteria: 1) consideration of the capital project's impact on future operating and maintenance expenses; 2) assessment of the asset's condition and life cycle, and estimates for replacement and/or refurbishment; 3) development and/or gathering of additional information such as future needs and costs analysis; 4) prioritization and tracking of progress of capital projects; and 5) the requesting department's strategic business plan. The County's Computer Aided Facilities Management software provides accurate data to plan programs for construction, replacement, and maintenance. A multi-year linkage between operating and capital budgeting aids in determining the impact on future spending. Particular attention is focused on extending an asset's life. A thorough preventive maintenance program is required on each project, helping to avert major and/or emergency repairs.

Two new capital projects are currently planned. The Hall of Justice, built in 1973, requires major renovation to address electrical, plumbing, and HVAC system needs, the lack of fire sprinklers, and removal of asbestos. The building also lacks adequate space for future growth of the courts. A study was completed in 2002, and proposals to renovate or rebuild have been evaluated. The decision has been made to build a new courthouse at an estimated total cost of \$135.9 million. A second project involves expanding and remodeling the Animal Shelter. The cost of this project is estimated to be \$11.7 million. The County plans to fund these projects by using a portion of its current reserves, supplemented by a debt offering in 2005 or 2006 for the remainder.

Financial Policies The County budget must be structurally balanced so that continuing revenues support continuing expenditures. One-time surpluses may not be used to expand continuing expenditures. Rather, they may be used for one-time expenditures, such as capital projects. County agencies are encouraged to maximize the use of state and federal revenues that may be available for their operations so as to help preserve general funds for other needs.

Budgetary appropriations may not exceed estimated resources, with a balanced budget maintained in each fund. Agency budget requests are submitted in a program-based format in conjunction with strategic business plans that outline the performance goals of each program for the following year. Actual performance data related to the demands, outputs, results, and efficiencies of each program are part of the budget presentation. Special revenue funds are required to reserve the funds necessary to cover operational needs for the first several pay periods of the following year in the event that a revenue stream is delayed. Agencies funded through tax levies are required to show that the forecasted expenditures over the life of the levy do not exceed the estimated revenue collections.

The Commissioners adopted the County's 2004 operating budget on November 25, 2003. The budget is controlled at the major object code level within a fund or organizational unit. The budget may be amended or supplemented at any time during the year upon formal action of the Commissioners. Transfers of cash between funds require the Commissioners' authorization. Appropriations lapse at the end of the year. Additional information on the County's budgetary process can be found in note 4 to the basic financial statements.

The General Fund allocates reserves as allowed by ORC 5705.13. The following reserves are in place:

- General Fund Contingency – three percent of the General Fund budget may be set aside for critical needs not anticipated in the budget. In 2004, \$7.2 million was set aside for this purpose, of which \$2.3 million was used during the year.
- Risk Management – funds may be reserved for the County's self-insurance for liability claims arising from automobile accidents, litigation settlements, damages, and judgment awards. All losses arising from these settlements must be paid from existing County funds in agency budgets or in the Risk Management fund. During 2004, \$65,000 was expended, leaving a reserve balance of \$8.5 million.
- Economic Stabilization – five percent of the preceding year's General Fund revenue may be reserved in this rainy day fund to stabilize the budget against cyclical changes in revenue and expenditures. Throughout 2004, the balance of \$15.7 million for this reserve remained unchanged.
- 27th Pay Period – this reserve was established in 1995 to gradually collect the funds necessary to meet the payroll requirements of a 27th pay period for General Fund employees in 2009. The balance in 2004 was \$4 million, and is shown as a special revenue fund in the financial statements.

It is the County's policy to issue long-term, fixed rate debt only as a means of financing infrastructure and capital projects when current tax revenues or fund balances are not sufficient funding sources. Long-term debt is not issued to support current operations. The County prefers to use a competitive process when issuing bonds, but will consider a negotiated process in limited cases when the complexity of the sale requires it. Debt capacity is periodically reviewed from three distinct perspectives: statutory debt limits, budgetary implications, and comparable means and medians for other triple-A rated counties of similar size and complexity as published by Moody's and Standard and Poor's. Debt capacity is evaluated on at least an annual basis.

The Treasurer is responsible for the investment of funds in accordance with the County's investment policy as authorized by the Investment Advisory Committee and in keeping with ORC Section 135.35. Specific requirements and limitations are described in note 5 to the basic financial statements. To maximize the County's return on investment, the Treasurer's Office employs a cash management program that systematically coordinates cash flow forecasting, mobilization of cash flows, bank relations, and the investment of surplus cash. Communication with other County agencies is integral in this process. In 2004, receipts related to investments were \$13.0 million, slightly higher than the original estimate of \$12.1 million.

Major Initiatives Twice during 2004, the Auditor declared a surplus in the Real Estate Assessment fund. The February surplus totaled \$4.7 million; the August surplus, \$4.1 million. Both were refunded as unplanned tax revenue to local government agencies and schools, proportionate to their tax collection. The Real Estate Assessment fund is comprised of a portion of property tax collections to be used by the Auditor primarily for real estate appraisal purposes.

The Water Quality Partnership addresses health concerns caused by raw or inadequately treated sewage entering streams and waterways, and affecting the drinking water. This program targets thirteen unincorporated areas of Franklin County that have on-lot septic and aeration systems and will be paid for with County general funds and grants obtained from the Ohio Public Works Commission. Several sanitary sewer projects were undertaken in 2004. Contracts totaling \$6.1 million were authorized for construction of the Darbydale Wastewater Collection System and Treatment Plant. When completed, the project will connect 325 homes, 450 manufactured homes, an elementary school and area businesses to the new sanitary sewer system. Groundbreaking for the project was held in September 2004, with an estimated completion target of August 2005.

In March 2004, County officials joined area residents, and federal, state and city representatives to celebrate the completion of the Franklinton Floodwall. The 7.2-mile, \$129 million floodwall protects 2,800 acres and is expected to spark revitalization efforts in the Franklinton area. The floodwall project began in 1993.

The Franklin County Child Support Enforcement Agency participated in a new state system that allows custodial parents to receive child support payments directly into a debit-card account. The card can be used for store purchases and ATM withdrawals. This system was designed to save check-cashing fees and eliminate the waiting time for parents who received checks by mail.

Columbus Zoo and Aquarium officials made plans to launch an aggressive construction program following voter approval of a replacement property-tax levy. The levy is expected to generate \$18.6 million each year. Zoo officials expect to spend \$125 million over the next ten years to build a number of exhibits and facilities, including a 50-acre African savanna, a 15-acre South and Central America region, and a new zoo entrance with parking lot expansions.

A study funded with a grant through the Ohio Arts and Sports Facilities Commission concluded that an overhaul of the County-owned, 72-year-old Cooper Stadium would cost more than \$38 million to bring it up to current standards for minor league baseball parks. Other options, including relocation to a new site in the Arena district, are being considered.

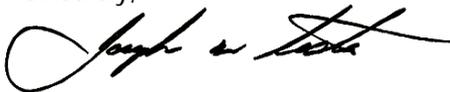
Awards and Acknowledgements

Awards The GFOA has awarded us the Certificate of Achievement for Excellence in Financial Reporting for the year ended December 31, 2003. The County has received this prestigious award for 21 consecutive years. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. To earn the Certificate of Achievement, the County published a readable and well-organized CAFR whose contents conformed to program standards and satisfied GAAP and applicable legal requirements. The Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA.

The GFOA has also presented us an Award for Outstanding Achievement in Popular Annual Financial Reporting for the year ended December 31, 2003. This is our ninth consecutive Award. To earn the Award, the Auditor's Office published the Franklin County Annual Report to provide taxpayers and other interested parties with an overview of the County's financial condition and results of its operations. The 2004 Annual Report will be submitted to the GFOA for award consideration.

Acknowledgements The preparation of this report could not have been accomplished without the dedicated effort of the entire Fiscal Services Division. I especially want to thank the Financial Reporting Department who worked diligently to continue to comply with the precise guidelines established by the GFOA's award programs. Their commitment to excellence in financial reporting added to the quality of this CAFR. I would also like to express my appreciation to each of the County's elected officials and the various County agencies for their cooperation in the preparation of this report.

Sincerely,



Joseph W. Testa
Franklin County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Franklin County,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



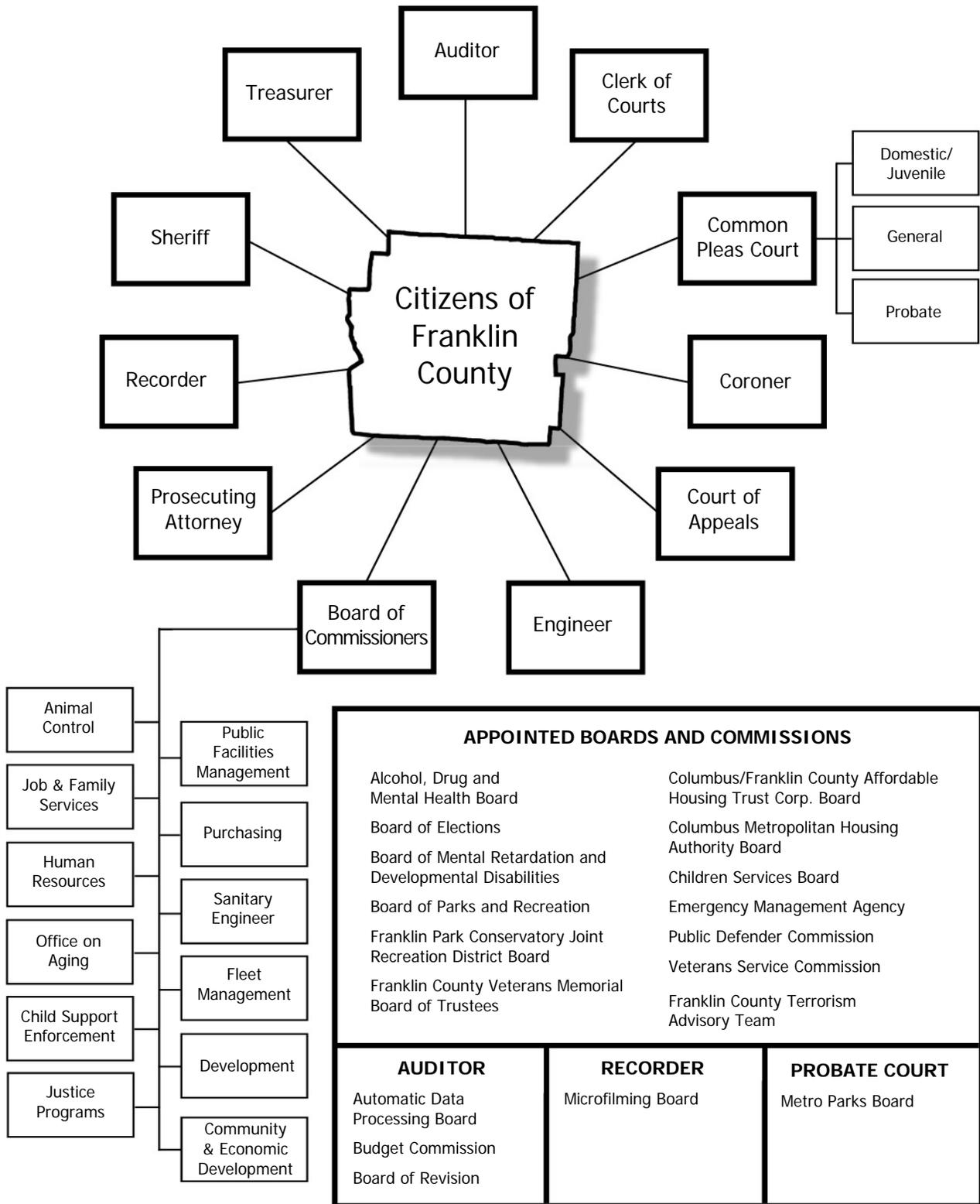
Nancy L. Zjelke

President

Jeffrey R. Emer

Executive Director

FRANKLIN COUNTY GOVERNMENT ORGANIZATIONAL CHART



ELECTED OFFICIALS AS OF DECEMBER 31, 2004

AUDITOR

*373 S. High Street, 21st Floor
Columbus, Ohio 43215
614.462.7399*

Joseph W. Testa

**BOARD OF
COMMISSIONERS**

*373 S. High Street, 26th Floor
Columbus, Ohio 43215
614.462.3322*

Arlene Shoemaker
Dewey R. Stokes
Mary Jo Kilroy

CLERK OF COURTS

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Columbus, Ohio 43215
614.462.3600*

John O'Grady

**COMMON PLEAS COURT
DOMESTIC/JUVENILE**

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Columbus, Ohio 43215
614.462.4386*

Kim A. Browne
Kay Lias
Jim Mason
Dana S. Preisse
Carole Squire

**COMMON PLEAS COURT
GENERAL**

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Columbus, Ohio 43215
614.462.3452*

John F. Bender
John P. Bessey
Jennifer L. Brunner
David E. Cain
John A. Connor
Dale A. Crawford
David W. Fais
Daniel T. Hogan
Patrick M. McGrath
Nodine Miller
Beverly Y. Pfeiffer
Guy L. Reece II
Charles A. Schneider
Richard S. Sheward
Alan C. Travis

**COMMON PLEAS COURT
PROBATE**

*373 S. High Street, 22nd Floor
Columbus, Ohio 43215
614.462.3894*

Lawrence A. Belskis

CORONER

*520 King Avenue
Columbus, Ohio 43201
614.462.5290*

Bradley J. Lewis, M.D.

**COURT OF APPEALS
TENTH DISTRICT**

*373 S. High Street, 24th Floor
Columbus, Ohio 43215
614.462.3580*

Donna Bowman
Susan Brown
Peggy Bryant
Judith L. French
William A. Klatt
Cynthia C. Lazarus
Charles R. Petree
Lisa L. Sadler

ENGINEER

*970 Dublin Road
Columbus, Ohio 43215
614.462.3030*

Dean C. Ringle, P.E., P.S.

PROSECUTING ATTORNEY

*373 S. High Street, 14th Floor
Columbus, Ohio 43215
614.462.3555*

Ron O'Brien

RECORDER

*373 S. High Street, 18th Floor
Columbus, Ohio 43215
614.462.3930*

Robert G. Montgomery

SHERIFF

*369 S. High Street
Columbus, Ohio 43215
614.462.3360*

Jim Karnes

TREASURER

*373 S. High Street, 17th Floor
Columbus, Ohio 43215
614.462.3053*

Richard Cordray



Financial Section



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Franklin County
373 South High Street, 26th Floor
Columbus, Ohio

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Franklin County, Ohio (the County), as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Alcohol, Drug and Mental Health Board, which is both a major fund and 6.62%, 3.87% and 12.28% of the assets, net assets, and revenues for the governmental activities. We also did not audit the financial statements of Franklin County Stadium, Inc. and Columbus Baseball Team, Inc., and ARC Industries, Inc., which are discretely presented component units and represent .36% and .44% of the assets, 5.03% and 6.32% of the net assets and fund balances, and 1.89% and 3.15% of the revenues, respectively, of the aggregate discretely presented component units and remaining fund information. Other auditors audited those financial statements. They have furnished their reports thereon to us and we base our opinions, insofar as they relate to the amounts included for the Alcohol, Drug and Mental Health Board, Franklin County Stadium, Inc. and Columbus Baseball Team, Inc., and ARC Industries, Inc. on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of Franklin County, Ohio, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General, Board of Mental Retardation and Development Disabilities, Children Services Board, Alcohol, Drug and Mental Health Board, and Public Assistance funds, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2005, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Betty Montgomery
Auditor of State

June 28, 2005

FRANKLIN COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
(Unaudited)

As management of Franklin County (the County), we offer readers this narrative overview and analysis of the financial activities of the County as a whole for the fiscal year ended December 31, 2004. We encourage readers to consider the information presented here in conjunction with our letter of transmittal, which can be found at the front of this report, and the financial statements, which follow this section and provide more specific detail. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

During 2004, it was determined that certain reclassifications and restatements needed to be made. The following discussion and analysis incorporates the effects of these reclassifications and restatements on amounts previously reported in 2003. Please see note 3 to the basic financial statements for a detailed description of the reclassifications and restatements.

Financial Highlights

- The County's assets exceeded its liabilities at the close of 2004 by \$745.1 million. Of this amount, \$110.0 million is considered unrestricted. Unrestricted net assets may be used to meet ongoing obligations. The unrestricted net assets of the County's governmental activities and business-type activities are \$104.0 million and \$6.0 million, respectively.
- The County's total net assets decreased by \$46.5 million in 2004, a decrease of 5.9 percent. Net assets of the governmental activities decreased \$52.5 million, or 6.8 percent, from 2003. Net assets of the business-type activities increased \$6.0 million or 41.2 percent from 2003.
- Total revenues for 2004 were \$931.6 million. General revenues (taxes, investment earnings, unrestricted grants) accounted for \$483.7 million, or 51.9 percent of all revenues. Program revenues (charges for services, program-specific grants and contributions) were \$447.9 million, or 48.1 percent.
- The County's expenses related to governmental activities were \$972.0 million. Of this amount, \$437.2 million (45.0 percent) were offset by program revenues. General revenues, primarily taxes, provided \$483.7 million (49.8 percent) for the remaining program expenses with the shortfall of \$51.1 million (5.2 percent) covered by unreserved fund balance.
- At the close of 2004, the County's governmental funds reported a combined ending fund balance of \$336.6 million, a decrease of \$66.7 million in comparison with the prior year. Of the amount reported as combined fund balance at year-end, \$314.5 million is considered unreserved and available for spending at the County's discretion.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$96.0 million, or 38.2 percent of total General Fund expenditures (including transfers out). Unreserved fund balance for the General Fund decreased by \$26.3 million or 21.5 percent when compared to 2003.
- The County's investment in capital assets (net of related debt) increased by \$1.9 million, representing a 1.0 percent decrease related to governmental activities and a 52.8 percent increase related to business-type activities.
- The County's total debt (bonds, notes and capital leases) decreased by \$10.3 million, representing a 6.7 percent decrease in debt related to governmental activities and a 8.9 percent decrease in debt related to business-type activities.

FRANKLIN COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
(Unaudited)

Overview of the Financial Statements

Management's discussion and analysis is intended to serve as an introduction to the County's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information.

Government-wide Financial Statements The government-wide financial statements provide a broad overview of the County's finances in a manner similar to a private-sector business.

The *statement of net assets* presents information on all the County's assets and liabilities, with the difference between the two reported as net assets. Over time, the change in net assets may serve as a useful indicator of whether the County's financial position is improving or declining.

The *statement of activities* shows how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover their costs through user fees and charges (*business-type activities*). The County's governmental activities include general government, judicial, public safety, human services, health, public works, conservation and recreation, and community development functions. The County's business-type activities include water and sewer, and parking facilities operations.

The government-wide financial statements include not only Franklin County itself (known as the *primary government*), but also certain organizations for which the County is financially accountable. Financial information for these *component units* is reported separately. The County's component units include ARC Industries, Incorporated, of Franklin County (ARC); Veterans Memorial Hall (Vets Memorial); and Franklin County Stadium, Inc. and Columbus Baseball Team, Inc. (Stadium and Team). See note 1 to the basic financial statements for more information about the component units.

The government-wide financial statements can be found on pages 27 and 28 of this report.

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. The County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

FRANKLIN COUNTY, OHIO
Management's Discussion and Analysis
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(Unaudited)

Because the focus of 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 so as to understand the long-term impact of the County'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 reconciliations to facilitate this comparison between governmental funds and governmental activities. See pages 29 - 34 of this report.

The County maintains many individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for those funds considered to be *major funds*. For Franklin County, these are the General Fund, Board of Mental Retardation & Developmental Disabilities (MR&DD) fund, Children Services Board fund, Alcohol, Drug and Mental Health (ADAMH) Board fund, and Public Assistance fund. Data from the other governmental funds are aggregated for presentation as a single column. Individual fund data for each of the nonmajor governmental funds is provided in the *combining statements* in this report.

The County adopts a budget resolution annually. Financial statements prepared on a budgetary basis that does not conform with generally accepted accounting principles (GAAP) have been provided on pages 35 – 39 for the major funds to demonstrate budgetary compliance.

Proprietary Funds: The County maintains two types of proprietary funds. *Enterprise funds* report the same functions presented as business-type activities in the government-wide financial statements. Enterprise funds are used to account for water and sewer, and parking facilities operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally across the County's various functions. Internal service funds are used to account for telecommunications and employee benefits. Because the services accounted for in the internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements show the Water and Sewer fund and the Parking Facilities fund separately; the internal service funds are aggregated. The basic proprietary fund financial statements are on pages 40 – 43.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because those resources 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 statement can be found on page 44.

Notes to the Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 45 – 84.

Other Information: The combining statements referred to earlier in connection with nonmajor governmental funds, fiduciary funds and component units are presented immediately following the notes. Individual fund schedules prepared on a non-GAAP, budgetary basis are also presented. Combining nonmajor fund statements and individual fund schedules can be found on pages 87 – 136 of this report.

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(Unaudited)

Government-wide Financial Analysis

The following table provides a summary of the County's net assets for 2004 compared to 2003:

	Net Assets (Amounts in 000's)					
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Assets:						
Current and other assets	\$ 929,950	\$ 939,619	\$ 8,241	\$ 5,674	\$ 938,191	\$ 945,293
Capital assets	418,223	429,139	23,943	19,758	442,166	448,897
Total assets	<u>1,348,173</u>	<u>1,368,758</u>	<u>32,184</u>	<u>25,432</u>	<u>1,380,357</u>	<u>1,394,190</u>
Liabilities:						
Long-term debt	129,786	138,630	9,231	10,133	139,017	148,763
Other long-term liabilities	42,630	42,229	121	112	42,751	42,341
Other liabilities	451,354	410,990	2,087	494	453,441	411,484
Total liabilities	<u>623,770</u>	<u>591,849</u>	<u>11,439</u>	<u>10,739</u>	<u>635,209</u>	<u>602,588</u>
Net assets:						
Invested in capital assets net of related debt	305,033	308,191	14,712	9,626	319,745	317,817
Restricted	315,368	343,382	-	-	315,368	343,382
Unrestricted	104,002	125,336	6,033	5,067	110,035	130,403
Total net assets	<u>\$ 724,403</u>	<u>\$ 776,909</u>	<u>\$ 20,745</u>	<u>\$ 14,693</u>	<u>\$ 745,148</u>	<u>\$ 791,602</u>

As noted earlier, net assets may serve as a useful indicator of the County's financial position. The County's assets exceeded liabilities by \$745.1 million (\$724.4 in governmental activities and \$20.7 in business-type activities) at the close of 2004. All three categories of net assets, the County as a whole and its separate governmental and business-type activities, had positive balances in the prior fiscal year, as well.

A large portion of the County's net assets (42.9 percent) reflects its investment in capital assets (e.g., land, buildings and improvements, infrastructure, machinery and equipment and construction in progress) less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets (42.3 percent) represents resources that are subject to external or legal restrictions on how they may be used. The remaining balance of net assets (\$110.0 million) is unrestricted and may be used to meet the County's ongoing obligations to citizens, employees, and creditors. It is important to note, however, that the unrestricted net assets of the County's business-type activities (\$6.0 million) may not be used to fund governmental activities.

The County's total net assets decreased by \$46.5 million during 2004. Net assets for governmental activities decreased \$52.5 million. The current revenue stream was not sufficient to cover the expenses related to the County's governmental activities, leading to the decrease in net assets. Net assets for business-type activities increased \$6.0 million.

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The amount invested in capital assets, net of related debt, increased by \$1.9 million (0.6 percent). These were the major 2004 capital expenditures: \$18.6 million spent on bridge and road construction including \$2.8 million – Central College Road; \$1.9 million – Parsons Avenue; \$1.9 million – Stelzer Road; \$1.7 million – Lane Avenue bridge; and \$1.5 million – Wagonner Road. Several infrastructure projects previously in construction in progress were annexed by other jurisdictions upon completion in 2004, and are no longer on the County's listing of capital assets. The debt related to capital assets was reduced by \$9.7 million through 2004 payments.

There was a decrease of \$28.0 million in restricted net assets reported in connection with the County's governmental activities, primarily due to increased expenses in the health function. The County's business-type activities have no restricted net assets in 2003 or 2004.

The following table shows the changes in net assets for 2004 compared with 2003:

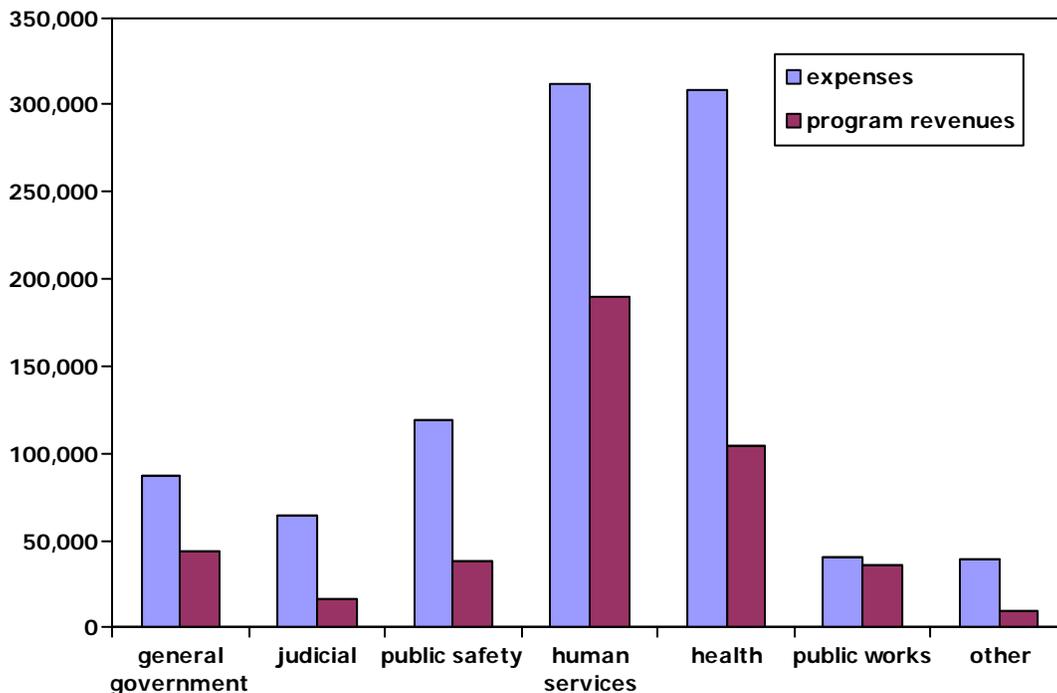
	Changes in Net Assets (Amounts in 000's)					
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Program revenues:						
Charges for services	\$ 95,309	\$ 99,850	\$ 7,213	\$ 6,603	\$ 102,522	\$ 106,453
Operating grants	332,904	353,916	-	-	332,904	353,916
Capital grants	8,944	18,875	3,568	45	12,512	18,920
General revenues:						
Property taxes	320,097	308,448	-	-	320,097	308,448
Sales taxes	85,718	82,728	-	-	85,718	82,728
Grants not restricted to specific programs	66,358	66,242	-	-	66,358	66,242
Unrestricted investment earnings	11,506	9,219	-	-	11,506	9,219
Gain on sale of assets	-	-	-	11	-	11
Total revenues	920,836	939,278	10,781	6,659	931,617	945,937
Expenses:						
General government	87,621	82,203	-	-	87,621	82,203
Judicial	63,848	63,326	-	-	63,848	63,326
Public safety	119,704	114,452	-	-	119,704	114,452
Human services	311,947	324,298	-	-	311,947	324,298
Health	308,096	251,971	-	-	308,096	251,971
Public works	41,027	27,067	-	-	41,027	27,067
Conservation and recreation	14,445	14,250	-	-	14,445	14,250
Community development	6,528	5,505	-	-	6,528	5,505
Intergovernmental grants	7,753	7,753	-	-	7,753	7,753
Internal services fund – external portion	4,615	-	-	-	4,615	-
Interest and fiscal charges	6,383	8,091	-	-	6,383	8,091
Water and sewer	-	-	4,434	4,631	4,434	4,631
Parking facilities	-	-	1,670	1,733	1,670	1,733
Total expenses	971,967	898,916	6,104	6,364	978,071	905,280
Change in net assets before transfers	(51,131)	40,362	4,677	295	(46,454)	40,657
Transfers	(1,375)	(2,037)	1,375	2,037	-	-
Change in net assets	(52,506)	38,325	6,052	2,332	(46,454)	40,657
Net assets – beginning	776,909	738,584	14,693	12,361	791,602	750,945
Net assets – ending	\$ 724,403	\$ 776,909	\$ 20,745	\$ 14,693	\$ 745,148	\$ 791,602

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Governmental Activities Governmental activities drew on the County's net assets by \$52.5 million. Key elements of this change are as follows:

- Operating grants for governmental activities decreased by \$21.0 million, mostly as a result of a decline in funding from the state and federal governments for health and social services programs. The Workforce Investment Act grants to the Public Assistance fund ended in 2004, and the amounts received for Temporary Assistance to Needy Families and federal subsidies for day care were reduced. ADAMH Board and MR&DD grant revenues declined because some of the underlying revenue recognition requirements were not met in 2004.
- Health expenses increased by \$56.1 million (22.3 percent). \$20.0 million in federal matching requirements had been paid by the state on behalf of the Board of MR&DD, and is now recorded as a County expense. The ADAMH Board's expenses increased by \$16.3 million due to timing of payments to providers as well as the increased liability for claims for services incurred for ADAMH clients during 2004 but not reported until 2005.
- Public works expenses increased by \$14.0 million (51.6 percent), primarily because of infrastructure projects that were annexed by other political subdivisions upon completion in 2004, reducing the amount previously capitalized as construction in progress.
- Property taxes increased by \$11.6 million (3.8 percent) because of new construction and higher collection of delinquencies.

Expenses and Program Revenues – Governmental Activities
 (Amounts in 000's)



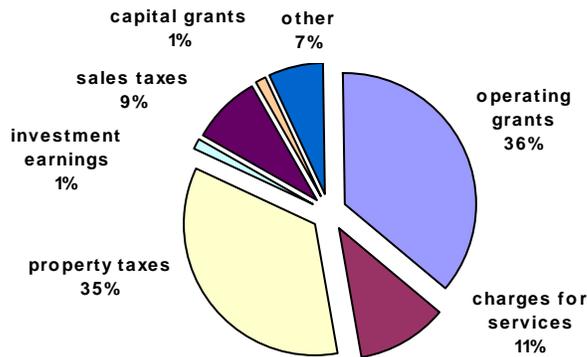
FRANKLIN COUNTY, OHIO
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The general government function represents activities related to the governing body as well as activities that directly support other County programs that serve the County's residents. In 2004, this represented 9.0 percent of the County's total governmental expenses. This was an increase of \$5.4 million (6.6 percent) from 2003. \$2.0 million of this increase related to the reappraisal of real property county-wide, \$1.5 million related to the operation of the November general election, and \$1.0 million related to the increased cost of employee health care.

The human services program accounted for \$311.9 million or 32.1 percent of total governmental expenses. The next largest program was health, accounting for \$308.1 million or 31.7 percent of the total expenses for governmental activities.

Expenses consumed all current year revenues, and drew upon net assets, decreasing net assets by \$52.5 million (6.8 percent) during 2004.

Revenues by Source - Governmental Activities



Property taxes account for \$320.1 million or 34.8 percent of total revenues for governmental activities. The major recipients of property tax revenues are Board of MR&DD (\$131.3 million), Children Services Board (\$76.7 million), ADAMH Board (\$37.8 million) and the General Fund (\$39.5 million). Another major component of general revenues is sales tax, which totaled \$85.7 million. Sales tax is the largest revenue source for the General Fund.

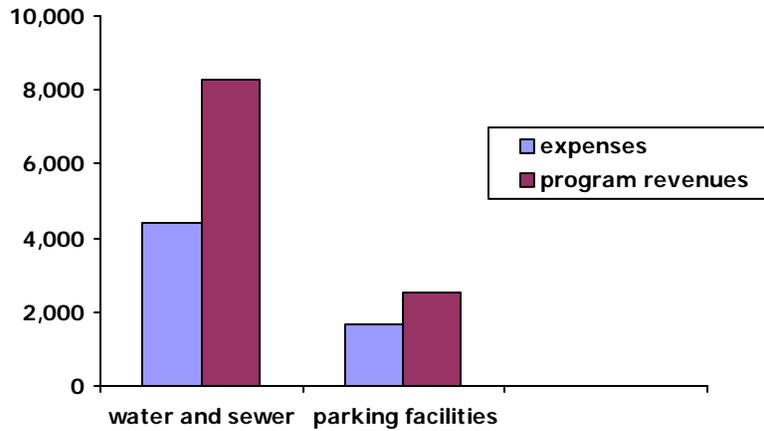
Operating grants were the largest type of program revenue, accounting for \$332.9 million or 36.2 percent of total governmental revenues. The major recipients of intergovernmental program revenues were Public Assistance (\$106.8 million), ADAMH Board (\$69.1 million), Children Services Board (\$67.9 million) and Board of MR&DD (\$47.9 million).

Direct charges to users of governmental services, another type of program revenue, made up \$95.3 million of total governmental revenues. These charges include fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

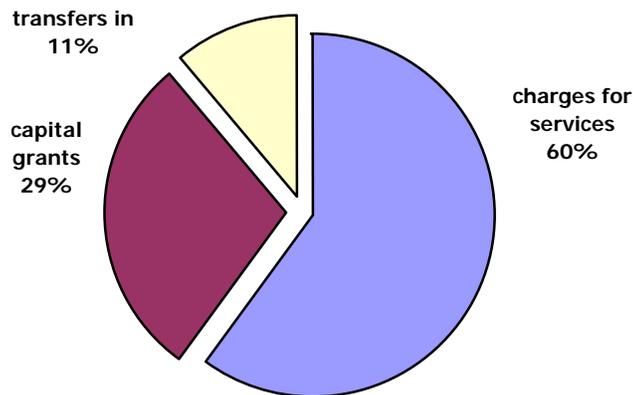
FRANKLIN COUNTY, OHIO
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Business-type Activities The County's net assets for business-type activities increased by \$6.0 million.

Expenses and Program Revenues - Business-type Activities
 (Amounts in 000's)



Revenues by Source - Business-type Activities



To better match projected revenue streams and spending levels, the Commissioners authorized increases for both parking rates and fees for sewer services effective January 1, 2004. As a result, charges for services increased by 9.2 percent when compared to 2003. The percent of annual expense to annual revenue decreased from 95.6 percent in 2003 to 56.6 percent in 2004 primarily because of the significant increase in capital grants for various water quality projects. Water and Sewer received \$1.4 million in transfers from the General Fund for capital improvements, down \$600,000 from the previous year.

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Financial Analysis of the County's Funds

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

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

At December 31, 2004, the County's governmental funds reported combined ending fund balances of \$336.6 million, a decrease of \$66.7 million in comparison with the restated prior year balances. Approximately \$314.4 million of this amount constitutes unreserved fund balance, which is available for spending at the County's discretion. The remainder is reserved to indicate that it is not available for new spending because it is related to notes receivable (\$17.6 million), advances to other funds (\$465,000) or inventories of consumable supplies (\$4.0 million), none of which can easily be converted into cash. While most of the governmental fund balances are not reserved in the governmental fund statements, they become classified as restricted net assets on the government-wide statement of net assets due to restrictions for use for a particular purpose mandated by the source of the funding, such as the tax levy language or the underlying grant.

General Fund The General Fund is the chief operating fund of the County. At December 31, 2004, unreserved fund balance of the General Fund was \$96.0 million, while total fund balance was \$99.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 38.2 percent of total General Fund expenditures (including transfers out), while total fund balance represents 39.4 percent of that same amount.

The fund balance of the General Fund decreased by \$25.7 million during 2004. Key factors are:

- Fees and charges for services decreased by \$3.8 million or 7.7 percent primarily due to a decline of \$3.2 million in Recorder's general fees. The number of deeds recorded in 2003 was unusually high related to the volume of mortgages being refinanced to take advantage of the low interest rates. Interest rates climbed in 2004, and refinancing slacked off.
- Expenditures increased by \$8.6 million or 3.9 percent. This included an increase of \$7.3 million or 8.1 percent for public safety expenditures, of which \$6.0 million related to operation of the jails, including newly hired medical staff.

Major Special Revenue Funds The Board of MR&DD fund, Children Services Board fund, ADAMH Board fund, and Public Assistance fund are major special revenue funds used to account for specific governmental revenues and the associated expenditures are restricted to specified purposes because of legal or regulatory provisions or administrative action. The Board of Commissioners must approve tax levy requests before they are placed on the ballot.

The Board of MR&DD fund accounts for property taxes and federal and state grants restricted to expenditures for those services that benefit the mentally retarded and developmentally disabled. Expenditures made for social service contracts, medical providers, and the maintenance and operation of buildings and buses increased by \$41.7 million or 29.1 percent when compared with the prior year. Approximately \$20.0 million in federal matching requirements was paid by the

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state on behalf of the Board of MR&DD, and is now recorded as a County expenditure. The net change in fund balance for 2004 was a decrease of \$5.6 million or 4.0 percent.

The Children Services Board fund accounts for property taxes and federal funds restricted for expenditure programs designed to help abused, neglected, dependent, and troubled children and their families. The net change in fund balance for 2004 was a decrease of \$9.2 million or 45.3 percent. The largest contributing factor to the decrease in fund balance was that expenditures continue to exceed the current revenue stream, although revenues for 2004 were \$3.9 million higher and expenditures were \$7.9 million lower than in 2003. Voters approved a 1.9 mill ten-year property tax levy; the first year of collection will be 2005.

The ADAMH Board fund accounts for providing alcohol and drug addiction treatment programs and mental health services to the public, generally through contracts with local health care providers. The largest revenue sources are property taxes and state funding. The net change in fund balance for 2004 was a decrease of \$15.2 million or 61.9 percent. Expenditures increased by \$14.1 million when compared with 2003, primarily related to recognition of claims incurred but not reported as of year-end as well as timing of payments to provider agencies.

The Public Assistance fund accounts for funding from the State of Ohio for job training and various other types of assistance and services for qualified clients. The net change in fund balance for 2004 was a decrease of \$5.1 million. Reductions in state funding resulted in similar reductions in program spending. Additionally, grant monies due from the state were not collected within the available period, resulting in deferred revenue of \$12.0 million and a deficit fund balance of \$3.6 million at year-end.

Other Governmental Funds Other Governmental funds represents all nonmajor special revenue funds, the Capital Projects fund and the Debt Service fund. The largest revenue sources are intergovernmental revenues from the state (primarily related to road and bridge construction and collection of court-ordered child support) and property taxes for the zoo and for senior services. The net change in fund balance for 2004 was a decrease of \$5.8 million or 6.4 percent. In 2004, the Auditor declared a surplus in the Real Estate Assessment fund. Rather than collecting \$8.8 million in fees, the money was refunded as unplanned tax revenue to local government agencies and schools, proportionate to their tax collection.

Proprietary Funds The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of Water and Sewer at the end of the year amounted to \$4.2 million, and those for Parking Facilities amounted to \$1.8 million. The total change in net assets for the funds was an increase of \$5.2 million and an increase of \$800,000, respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of the County's business-type activities.

Budgetary Highlights

The County's budget is prepared according to Ohio law. The most significant budgeted fund is the General Fund. The total original appropriations for the General Fund, including those for transfers out, were \$289.4 million, while the final appropriations were \$301.7 million, resulting in a net increase of \$12.3 million. During 2004, the General Fund budget was amended numerous times. Significant changes to the original budget are briefly summarized as follows:

- \$3.3 million increase for Sheriff's office wages and employee benefits.

FRANKLIN COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
(Unaudited)

- \$1.4 million increase for general government health care benefits.
- \$11.7 million increase in operating transfers out related to scheduled debt service payments that are transferred to the Debt Service fund.

Significant variances between the final budget and actual results for the major funds are described as follows:

- Actual fees and charges for services in the General Fund were \$5.6 million lower than estimated, primarily due to the \$3.2 million decline in general fees collected by the Recorder.
- Actual general government expenditures in the General Fund were \$5.4 million lower than expected: \$2.5 million – wellness incentive payments and termination pay-outs of accrued leave; \$716,000 – natural gas; \$534,000 – outside consultants.
- Actual debt service expenditures in the General Fund were \$19.9 million lower than budgeted because of a change in the method for making debt service payment transfers.
- Board of MR&DD fund's actual expenditures were \$136.0 million lower than budgeted because the \$134.1 million budgeted for contingencies, as required by law, was not used.
- Public Assistance fund's actual intergovernmental revenues were \$26.4 million lower than estimated because of reduced state funding. The state's budget cycle runs July 1 through June 30. The variance in expenditures, with actual being \$16.6 million below the budget, is related to the change in the state funding and affected the various social service programs.

Capital Asset and Debt Administration

Capital Assets The County's investment in capital assets for its governmental and business type activities at December 31, 2004, amounts to \$319.7 million (net of related debt). This investment in capital assets includes land, buildings and improvements, infrastructure, machinery and equipment, and construction in progress. The total increase in the County's investment in capital assets (net of related debt) for 2004 was 0.6 percent when compared to 2003 restated activity.

Capital Assets, Net of Depreciation						
(Amounts in 000's)						
	Governmental		Business-type Activities		Total	
	Activities		Activities			
	2004	2003	2004	2003	2004	2003
Land	\$ 26,258	\$ 24,351	\$ 259	\$ 259	\$ 26,517	\$ 24,610
Buildings and improvements	211,418	218,898	10,391	10,745	221,809	229,643
Infrastructure	137,781	113,042	7,848	6,963	145,629	120,005
Machinery and equipment	22,490	23,224	259	315	22,749	23,539
Construction in progress	20,276	49,624	5,186	1,477	25,462	51,101
	<u>\$ 418,223</u>	<u>\$ 429,139</u>	<u>\$ 23,943</u>	<u>\$ 19,759</u>	<u>\$ 442,166</u>	<u>\$ 448,898</u>

The major capital asset events during the 2004 involved bridge and road construction. Specific projects and dollar amounts are listed in the government-wide financial analysis section. Additional information on the County's capital assets can be found in note 10 on pages 66 – 68 of this report.

FRANKLIN COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
(Unaudited)

Long-term Debt At December 31, 2004, the County had total bonded debt outstanding of \$133.6 million. Of this amount, \$6.7 million will be repaid from business-type activities. \$122.6 million comprises bonded debt backed by the full faith and credit of the government. The remaining \$4.3 million represents bonds supported by lease revenues. Because of scheduled debt payments, the County's total long-term debt decreased by \$9.7 million (6.6 percent) during the current fiscal year. All the County's debt is unvoted.

	Outstanding Debt (Amounts in 000's)					
	Governmental		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
General obligation bonds and notes	\$ 125,486	\$ 133,280	\$ 9,231	\$ 10,132	\$ 134,717	\$ 143,412
General obligation bonds supported by lease revenues	4,300	5,350	-	-	4,300	5,350
	<u>\$ 129,786</u>	<u>\$ 138,630</u>	<u>\$ 9,231</u>	<u>\$ 10,132</u>	<u>\$ 139,017</u>	<u>\$ 148,762</u>

Both Standard & Poor's Corporation and Moody's Investor Services, Inc. have given Franklin County a "triple-A" credit rating, the highest rating possible. The County is within all its legal debt limitations. As of December 31, 2004, the County's non-exempt debt was \$84.9 million. The County's limit for total voted and unvoted non-exempt debt was \$629.3 million, leaving a borrowing capacity of \$544.4 million. Unvoted, non-exempt debt is limited to one percent of total assessed property value. For 2004, that limit was \$252.3 million, leaving a borrowing capacity of \$167.4 million. The aggregate amount of the County's unvoted debt is also subject to overlapping debt restrictions with other political subdivisions. At year-end, the County's total net bonded debt amounted to 0.5 percent of the total assessed value of all property within the County.

In addition to the bonded debt and notes, the County's long-term obligations include compensated absences, workers' compensation and capital leases. More information regarding the County's long-term obligations can be found in note 11 on pages 68 – 72 of this report.

Economic Factors and Next Year's Budgets and Rates

Franklin County has experienced significant growth in the past thirty years, both in population and in tax base. However, current economic conditions have caused the County's elected and appointed officials to cautiously review their operations and attempt to contain costs. When preparing the budget for the 2005 fiscal year, the following factors were taken into consideration:

- Franklin County's unemployment rate for 2004 was 5.4 percent, an increase from a rate of 4.7 percent in 2003.
- Sales tax revenues and investment earnings are expected to increase slightly.
- State funding levels are projected to remain flat.
- The Economic Stabilization reserve remains at the maximum level permitted under Ohio law.
- 3 percent reductions were made to each agency's General Fund budget, to be applied at the discretion of the agency's management, tailoring the reductions to the agency's operations.

FRANKLIN COUNTY, OHIO
Management's Discussion and Analysis
For the Year Ended December 31, 2004
(Unaudited)

The County is committed to continued provision of basic services to its citizens. To that end, the County has appropriated \$184.9 million of the governmental funds' unreserved fund balances for spending in the 2005 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or most other fees during the 2005 fiscal year.

Requests for Information

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances, and to demonstrate accountability for the money the County receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Franklin County Auditor, Fiscal Services Division, 373 South High Street, 21st Floor, Columbus, Ohio 43215-6310. This report is also available on-line at www.franklincountyauditor.com.

BASIC FINANCIAL STATEMENTS

FRANKLIN COUNTY, OHIO

Statement of Net Assets

December 31, 2004

(Amounts in 000's)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets:				
Equity with County Treasurer (notes 1 & 5)	\$ 371,547	\$ 6,359	\$ 377,906	\$ -
Cash, cash equivalents, and investments in segregated accounts (notes 1 & 5)	1,322	3	1,325	8,848
Accounts receivable	4,342	911	5,253	806
Accrued interest receivable	1,796	-	1,796	6
Sales taxes receivable	22,519	-	22,519	-
Due from other governments	158,249	835	159,084	-
Internal balances (notes 1 & 6)	32	(32)	-	-
Due from primary government (note 6)	-	-	-	184
Property taxes receivable, net (note 7)	338,122	-	338,122	-
Loans receivable, net (note 1)	3,945	-	3,945	-
Notes receivable (note 8)	17,640	-	17,640	-
Leases receivable (note 9)	4,509	-	4,509	-
Inventories (note 1)	4,008	19	4,027	220
Prepaid items (note 1)	265	71	336	119
Deferred charge (note 1)	150	75	225	-
Restricted cash (notes 1 & 5)	1,504	-	1,504	-
Capital assets, net of accumulated depreciation:				
Nondepreciable (notes 1 & 10)	46,534	5,445	51,979	-
Depreciable (notes 1 & 10)	371,689	18,498	390,187	3,032
Total assets	1,348,173	32,184	1,380,357	13,215
Liabilities:				
Accrued wages	17,487	57	17,544	363
Accounts payable and other current liabilities	86,889	2,002	88,891	636
Accrued interest	517	28	545	-
Matured bonds and interest payable	622	-	622	-
Due to component unit (note 6)	184	-	184	-
Liabilities payable from restricted assets	1,504	-	1,504	-
Unearned revenue (note 1)	344,151	-	344,151	400
Long-term liabilities: (notes 1 & 11)				
Due within one year	12,122	968	13,090	39
Due in more than one year	160,294	8,384	168,678	335
Total liabilities	623,770	11,439	635,209	1,773
Net assets:				
Invested in capital assets, net of related debt	305,033	14,712	319,745	3,032
Restricted for: (note 1)				
Public safety	10,471	-	10,471	-
Human services	60,654	-	60,654	-
Health	183,835	-	183,835	-
Public works	14,908	-	14,908	-
Capital projects	4,786	-	4,786	-
Debt service	3,947	-	3,947	-
Other purposes	36,767	-	36,767	-
Unrestricted	104,002	6,033	110,035	8,410
Total net assets	\$ 724,403	\$ 20,745	\$ 745,148	\$ 11,442

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO

Statement of Activities
 Year Ended December 31, 2004
 (Amounts in 000's)

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
						Primary Government		Total
Primary government:								
Governmental activities:								
General government	\$ 87,621	\$ 43,115	\$ 443	\$ -	\$ (44,063)	\$ -	\$ (44,063)	
Judicial	63,848	10,872	5,820	-	(47,156)	-	(47,156)	
Public safety	119,704	21,764	16,064	-	(81,876)	-	(81,876)	
Human services	311,947	9,302	180,113	-	(122,532)	-	(122,532)	
Health	308,096	1,708	102,952	-	(203,436)	-	(203,436)	
Public works	41,027	2,821	23,581	8,944	(5,681)	-	(5,681)	
Conservation and recreation	14,445	-	-	-	(14,445)	-	(14,445)	
Community development	6,528	1,112	2,036	-	(3,380)	-	(3,380)	
Intergovernmental grants	7,753	-	1,895	-	(5,858)	-	(5,858)	
Internal services fund - external portion	4,615	4,615	-	-	-	-	-	
Interest and fiscal charges	6,383	-	-	-	(6,383)	-	(6,383)	
Total governmental activities	971,967	95,309	332,904	8,944	(534,810)	-	(534,810)	
Business-type activities:								
Water and sewer	4,434	4,701	-	3,568	-	3,835	3,835	
Parking facilities	1,670	2,512	-	-	-	842	842	
Total business-type activities	6,104	7,213	-	3,568	-	4,677	4,677	
Total primary government	\$ 978,071	\$ 102,522	\$ 332,904	\$ 12,512	(534,810)	4,677	(530,133)	
Component units: (notes 1 & 19)								
ARC Industries	\$ 6,579	\$ 6,646	\$ -	\$ -	-	-	67	
Veterans Memorial Hall	2,416	1,896	291	-	-	-	(229)	
Stadium and Team	4,168	3,623	-	-	-	-	(545)	
Total component units	\$ 13,163	\$ 12,165	\$ 291	\$ -	-	-	(707)	
General revenues:								
Property taxes (note 7)					320,097		320,097	
Sales taxes					85,718		85,718	
Grants and contributions not restricted to specific programs					66,358		66,358	
Unrestricted investment earnings					11,506		11,506	
Transfers (note 6)					(1,375)	1,375	-	
Total general revenues and transfers					482,304	1,375	483,679	
Change in net assets					(52,506)	6,052	(46,454)	
Net assets - beginning (restated) (note 3)					776,909	14,693	791,602	
Net assets - ending					\$ 724,403	\$ 20,745	\$ 745,148	

The notes to the financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO

Balance Sheet
Governmental Funds
December 31, 2004
(Amounts in the 000's)

	General	Board of MR&DD	Children Services Board	ADAMH Board
Assets:				
Equity with County Treasurer (notes 1 & 5)	\$ 87,072	\$ 162,938	\$ 24,413	\$ 23,046
Cash and investments in segregated accounts (notes 1 & 5)	1	-	-	-
Accounts receivable	2,747	33	88	42
Accrued interest receivable	1,791	-	-	-
Sales taxes receivable	22,519	-	-	-
Due from other governments	19,785	29,230	41,664	23,971
Due from other funds (note 6)	2,660	-	176	53
Property taxes receivable, net (note 7)	33,728	134,660	99,845	38,860
Loans receivable, net (note 1)	-	-	-	-
Notes receivable (note 8)	745	-	-	-
Advances to other funds (notes 1 & 6)	465	-	-	-
Leases receivable (note 9)	224	-	-	-
Inventories (note 1)	1,944	751	39	-
Restricted cash (notes 1 & 5)	1,504	-	-	-
Total assets	\$ 175,185	\$ 327,612	\$ 166,225	\$ 85,972
Liabilities and Fund Balances:				
Liabilities:				
Accrued wages	\$ 7,885	\$ 3,393	\$ 1,983	\$ 227
Accounts payable	4,959	26,259	12,937	21,564
Matured bonds and interest payable	-	-	-	-
Due to other funds (note 6)	3,370	68	1,115	62
Due to component unit (note 6)	-	184	-	-
Due to other governments	-	-	-	-
Deferred revenue (note 1)	24,455	28,459	38,016	16,004
Unearned revenue (note 1)	33,821	134,366	101,067	38,756
Advances from other funds (notes 1 & 6)	-	-	-	-
Liabilities payable from restricted assets	1,504	-	-	-
Total liabilities	75,994	192,729	155,118	76,613
Fund balances: (note 1)				
Reserved for notes receivable	745	-	-	-
Reserved for advances to other funds	465	-	-	-
Reserved for inventories	1,944	751	39	-
Unreserved, reported in:				
General fund:				
Designated for future years' expenditures	15,700	-	-	-
Designated for claims (note 15)	17,591	-	-	2,671
Undesignated	62,746	-	-	-
Special revenue funds	-	134,132	11,068	6,688
Debt services fund	-	-	-	-
Capital projects fund	-	-	-	-
Total fund balances	99,191	134,883	11,107	9,359
Total liabilities and fund balances	\$ 175,185	\$ 327,612	\$ 166,225	\$ 85,972

The notes to the basic financial statements are an integral part of this statement.

(Continued on next page)

FRANKLIN COUNTY, OHIO

(Continued)

Balance Sheet
 Governmental Funds
 December 31, 2004
 (Amounts in the 000's)

	Public Assistance	Other Governmental Funds	Total Governmental Funds
Assets:			
Equity with County Treasurer (notes 1 & 5)	\$ 3,074	\$ 70,004	\$ 370,547
Cash and investments in segregated accounts (notes 1 & 5)	-	1,321	1,322
Accounts receivable	49	736	3,695
Accrued interest receivable	-	5	1,796
Sales taxes receivable	-	-	22,519
Due from other governments	21,575	22,024	158,249
Due from other funds (note 6)	-	354	3,243
Property taxes receivable, net (note 7)	-	31,029	338,122
Loans receivable, net (note 1)	-	3,945	3,945
Notes receivable (note 8)	-	16,895	17,640
Advances to other funds (notes 1 & 6)	-	-	465
Leases receivable (note 9)	-	4,285	4,509
Inventories (note 1)	25	1,249	4,008
Restricted cash (notes 1 & 5)	-	-	1,504
Total assets	\$ 24,723	\$ 151,847	\$ 931,564
Liabilities and Fund Balances:			
Liabilities:			
Accrued wages	\$ 1,478	\$ 2,521	\$ 17,487
Accounts payable	8,595	4,419	78,733
Matured bonds and interest payable	-	622	622
Due to other funds (note 6)	3,051	2,026	9,692
Due to component unit (note 6)	-	-	184
Due to other governments	3,198	-	3,198
Deferred revenue (note 1)	11,986	20,043	138,963
Unearned revenue (note 1)	-	36,141	344,151
Advances from other funds (notes 1 & 6)	-	465	465
Liabilities payable from restricted assets	-	-	1,504
Total liabilities	28,308	66,237	594,999
Fund balances: (note 1)			
Reserved for notes receivable	-	16,895	17,640
Reserved for advances to other funds	-	-	465
Reserved for inventories	25	1,249	4,008
Unreserved, reported in:			
General fund:			
Designated for future years' expenditures	-	-	15,700
Designated for claims (note 15)	-	-	20,262
Undesignated	-	-	62,746
Special revenue funds	(3,610)	62,651	210,929
Debt services fund	-	29	29
Capital projects fund	-	4,786	4,786
Total fund balances	(3,585)	85,610	336,565
Total liabilities and fund balances	\$ 24,723	\$ 151,847	\$ 931,564

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO
 Reconciliation of Total Governmental Fund Balances
 to Net Assets of Governmental Activities
 December 31, 2004
 (Amounts in 000's)

Total fund balances - governmental funds (page 30)		\$	336,565
<p>Amounts reported for governmental activities in the statement of net assets (page 27) are different because:</p>			
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>			418,223
<p>Other assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.</p>			
Accrued interest receivable	1,176		
Sales taxes receivable	8,747		
Due from other governments	107,088		
Property taxes receivable	17,444		
Leases receivable	4,509		
Deferred charges	150		
			139,114
<p>Internal service funds are used by management to charge the costs of employee benefits and telecommunications to individual funds. The assets and liabilities of the interna service funds are included in governmental activities in the statement of net assets.</p>			3,434
<p>Some liabilities are not due and payable in the current perio and, therefore, are not reported in the funds:</p>			
Accrued interest	(517)		
General obligation bonds	(122,574)		
Bonds supported by lease revenues	(4,300)		
Notes	(2,912)		
Compensated absences	(31,216)		
Workers' compensation	(10,370)		
Capital leases	(1,044)		
			(172,933)
Net assets of governmental activities (page 27)		\$	724,403

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2004
 (Amounts in 000's)

	General	Board of MR&DD	Children Services Board	ADAMH Board
Revenues:				
Sales tax	\$ 85,588	\$ -	\$ -	\$ -
Real and other taxes (note 7)	39,474	131,292	76,679	37,844
Licenses and permits	782	-	-	-
Fees and charges for services	45,340	724	2,139	-
Fines and forfeitures	681	-	-	-
Intergovernmental	38,152	46,641	68,911	68,212
Investment income	10,875	-	-	-
Other	4,386	740	322	558
Total revenues	225,278	179,397	148,051	106,614
Expenditures:				
Current:				
General government	56,113	-	-	-
Judicial	60,777	-	-	-
Public safety	97,027	-	-	-
Human services	2,783	-	157,161	-
Health	-	184,888	-	121,730
Public works	403	-	-	-
Conservation and recreation	-	-	-	-
Community development	996	-	-	-
Capital outlays	3,685	-	-	-
Debt service: (note 11)				
Principal retirement	256	184	61	29
Interest charges	92	16	8	10
Intergovernmental grants	5,417	-	-	-
Total expenditures	227,549	185,088	157,230	121,769
Excess (deficiency) of revenues over (under) expenditures	(2,271)	(5,691)	(9,179)	(15,155)
Other financing sources (uses):				
Transfers in (notes 1 & 6)	237	-	-	-
Transfers out (notes 1 & 6)	(24,076)	-	-	(53)
Capital leases (note 11)	178	-	-	-
Sale of capital assets	193	62	-	-
Total other financing sources (uses)	(23,468)	62	-	(53)
Net change in fund balances	(25,739)	(5,629)	(9,179)	(15,208)
Fund balances - beginning (restated)	124,930	140,512	20,286	24,567
Fund balances - ending	\$ 99,191	\$ 134,883	\$ 11,107	\$ 9,359

The notes to the basic financial statements are an integral part of this statement.

(Continued on next page)

FRANKLIN COUNTY, OHIO

Statement of Revenues, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2004
 (Amounts in 000's)

	Public Assistance	Other Governmental Funds	Total Governmental Funds
Revenues:			
Sales tax	\$ -	\$ -	\$ 85,588
Real and other taxes (note 7)	-	30,244	315,533
Licenses and permits	-	753	1,535
Fees and charges for services	-	19,733	67,936
Fines and forfeitures	-	1,605	2,286
Intergovernmental	99,930	74,973	396,819
Investment income	-	158	11,033
Other	2,828	12,921	21,755
Total revenues	102,758	140,387	902,485
Expenditures:			
Current:			
General government	-	27,154	83,267
Judicial	-	2,483	63,260
Public safety	-	20,150	117,177
Human services	113,735	38,739	312,418
Health	-	-	306,618
Public works	-	37,010	37,413
Conservation and recreation	-	14,218	14,218
Community development	-	5,532	6,528
Capital outlays	-	199	3,884
Debt service: (note 11)			
Principal retirement	27	8,539	9,096
Interest charges	89	6,737	6,952
Intergovernmental grants	-	2,336	7,753
Total expenditures	113,851	163,097	968,584
Excess (deficiency) of revenues over (under) expenditures	(11,093)	(22,710)	(66,099)
Other financing sources (uses):			
Transfers in (notes 1 & 6)	6,716	18,136	25,089
Transfers out (notes 1 & 6)	(1,074)	(1,261)	(26,464)
Capital leases (note 11)	126	-	304
Sale of capital assets	191	17	463
Total other financing sources (uses)	5,959	16,892	(608)
Net change in fund balances	(5,134)	(5,818)	(66,707)
Fund balances - beginning (restated)	1,549	91,428	403,272
Fund balances - ending	\$ (3,585)	\$ 85,610	\$ 336,565

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2004
(Amounts in 000's)

Amounts reported for governmental activities in the statement of activities (page 28) are different because:

Net change in fund balances - total governmental funds (page 33)	\$ (66,707)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(10,411)
The net effect of transactions involving sales of capital assets was to decrease net assets.	(505)
Revenues in the statement of activities that do not provide current financial resources were not reported as revenues in the funds.	18,351
Proceeds of debt provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the net effect of these differences.	9,658
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(4,019)
Internal service funds are used by management to charge the costs of employee benefits and telecommunications to individual funds. The net revenue of the internal service funds is reported with governmental activities.	<u>1,127</u>
Change in net assets of governmental activities (page 28)	<u>\$ (52,506)</u>

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Sales tax	\$ 80,847	\$ 80,847	\$ 85,190	\$ 4,343
Real and other taxes	38,130	38,130	39,510	1,380
Licenses and permits	556	556	781	225
Fees and charges for services	47,604	49,717	44,151	(5,566)
Fines and forfeitures	228	228	740	512
Intergovernmental	36,890	37,928	37,513	(415)
Investment income	12,051	12,051	13,007	956
Other	4,183	4,352	4,400	48
<i>Total revenues</i>	220,489	223,809	225,292	1,483
Expenditures:				
Current:				
General government	63,022	59,784	54,363	5,421
Judicial	77,128	78,777	76,211	2,566
Public safety	80,470	84,357	82,320	2,037
Human services	3,711	3,726	2,904	822
Public works	449	449	400	49
Community development	1,038	1,051	987	64
Other	16,171	8,924	2,141	6,783
Capital outlays	5,227	5,546	3,717	1,829
Debt service	20,108	19,929	74	19,855
Intergovernmental grants	-	5,417	5,417	-
<i>Total expenditures</i>	267,324	267,960	228,534	39,426
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(46,835)	(44,151)	(3,242)	40,909
Other financing sources (uses):				
Transfers in	5,790	6,053	1,215	(4,838)
Transfers out	(22,053)	(33,729)	(24,883)	8,846
Proceeds from sale of capital assets	110	110	71	(39)
<i>Total other financing sources (uses)</i>	(16,153)	(27,566)	(23,597)	3,969
<i>Net change in fund balance</i>	(62,988)	(71,717)	(26,839)	44,878
Fund balance - beginning	113,087	113,087	113,087	-
Fund balance - ending	\$ 50,099	\$ 41,370	\$ 86,248	\$ 44,878

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Board of MR&DD Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 133,322	\$ 133,322	\$ 131,292	\$ (2,030)
Fees and charges for services	200	200	725	525
Intergovernmental	33,361	33,361	44,208	10,847
Other	230	230	741	511
<i>Total revenues</i>	<u>167,113</u>	<u>167,113</u>	<u>176,966</u>	<u>9,853</u>
Expenditures:				
Current:				
Health	300,626	300,626	164,622	136,004
<i>Total expenditures</i>	<u>300,626</u>	<u>300,626</u>	<u>164,622</u>	<u>136,004</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(133,513)</u>	<u>(133,513)</u>	<u>12,344</u>	<u>145,857</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	62	62
<i>Total other financing sources (uses)</i>	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
<i>Net change in fund balance</i>	<u>(133,513)</u>	<u>(133,513)</u>	<u>12,406</u>	<u>145,919</u>
Fund balance - beginning	142,751	142,751	142,751	-
Fund balance - ending	<u>\$ 9,238</u>	<u>\$ 9,238</u>	<u>\$ 155,157</u>	<u>\$ 145,919</u>

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Children Services Board Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 79,337	\$ 79,337	\$ 76,679	\$ (2,658)
Fees and charges for services	2,851	2,851	2,154	(697)
Intergovernmental	70,055	70,055	66,542	(3,513)
Other	170	170	267	97
<i>Total revenues</i>	<u>152,413</u>	<u>152,413</u>	<u>145,642</u>	<u>(6,771)</u>
Expenditures:				
Current:				
Human services	166,609	166,609	157,764	8,845
<i>Total expenditures</i>	<u>166,609</u>	<u>166,609</u>	<u>157,764</u>	<u>8,845</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(14,196)</u>	<u>(14,196)</u>	<u>(12,122)</u>	<u>2,074</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	4	4	-	(4)
<i>Total other financing sources (uses)</i>	<u>4</u>	<u>4</u>	<u>-</u>	<u>(4)</u>
<i>Net change in fund balance</i>	<u>(14,192)</u>	<u>(14,192)</u>	<u>(12,122)</u>	<u>2,070</u>
Fund balance - beginning	30,620	30,620	30,620	-
Fund balance - ending	<u>\$ 16,428</u>	<u>\$ 16,428</u>	<u>\$ 18,498</u>	<u>\$ 2,070</u>

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
ADAMH Board Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real and other taxes	\$ 37,887	\$ 37,887	\$ 37,844	\$ (43)
Intergovernmental	75,123	75,323	77,685	2,362
Other	292	292	586	294
<i>Total revenues</i>	<u>113,302</u>	<u>113,502</u>	<u>116,115</u>	<u>2,613</u>
Expenditures:				
Current:				
Health	116,600	123,806	116,440	7,366
<i>Total expenditures</i>	<u>116,600</u>	<u>123,806</u>	<u>116,440</u>	<u>7,366</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(3,298)</u>	<u>(10,304)</u>	<u>(325)</u>	<u>9,979</u>
Other financing sources (uses):				
Transfers in	-	-	11	11
Transfers out	(631)	(631)	(513)	118
<i>Total other financing sources (uses)</i>	<u>(631)</u>	<u>(631)</u>	<u>(502)</u>	<u>129</u>
<i>Net change in fund balance</i>	<u>(3,929)</u>	<u>(10,935)</u>	<u>(827)</u>	<u>10,108</u>
Fund balance - beginning (restated)	20,515	20,515	20,515	-
Fund balance - ending	<u>\$ 16,586</u>	<u>\$ 9,580</u>	<u>\$ 19,688</u>	<u>\$ 10,108</u>

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO
Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Public Assistance Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 128,244	\$ 128,244	\$ 101,890	\$ (26,354)
Other	1,993	1,993	3,197	1,204
<i>Total revenues</i>	130,237	130,237	105,087	(25,150)
Expenditures:				
Current:				
Human services	135,350	135,350	118,714	16,636
<i>Total expenditures</i>	135,350	135,350	118,714	16,636
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(5,113)	(5,113)	(13,627)	(8,514)
Other financing sources (uses):				
Transfers in	7,089	7,089	6,716	(373)
<i>Total other financing sources (uses)</i>	7,089	7,089	6,716	(373)
<i>Net change in fund balance</i>	1,976	1,976	(6,911)	(8,887)
Fund balance - beginning	9,985	9,985	9,985	-
Fund balance - ending	\$ 11,961	\$ 11,961	\$ 3,074	\$ (8,887)

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO

Statement of Net Assets

Proprietary Funds

December 31, 2004

(Amounts in 000's)

	Business-type Activities Enterprise Funds			Governmental Activities
	Water and Sewer	Parking Facilities	Total	Internal Service Funds
Assets:				
Current assets:				
Equity with County Treasurer (notes 1 & 5)	\$ 4,492	\$ 1,867	\$ 6,359	\$ 1,000
Cash, cash equivalents and investments in segregated accounts (notes 1 & 5)	-	3	3	-
Accounts receivable, net	911	-	911	646
Due from other governments	835	-	835	-
Due from other funds (note 6)	-	-	-	6,481
Inventories (note 1)	16	3	19	-
Prepaid items (note 1)	71	-	71	265
Deferred charge (note 1)	-	75	75	-
Total current assets	<u>6,325</u>	<u>1,948</u>	<u>8,273</u>	<u>8,392</u>
Noncurrent assets:				
Capital assets, net of accumulated depreciation:				
Nondepreciable (notes 1 & 10)	5,445	-	5,445	-
Depreciable (notes 1 & 10)	8,499	9,999	18,498	163
Total noncurrent assets	<u>13,944</u>	<u>9,999</u>	<u>23,943</u>	<u>163</u>
Total assets	<u>20,269</u>	<u>11,947</u>	<u>32,216</u>	<u>8,555</u>
Liabilities:				
Current liabilities:				
Accrued wages	40	17	57	-
Compensated absences payable (notes 1 & 11)	16	1	17	-
Accounts payable	1,982	20	2,002	4,958
Accrued interest	-	28	28	-
Due to other funds (note 6)	21	11	32	-
General obligation bonds (note 11)	-	770	770	-
Notes payable (note 11)	181	-	181	-
Total current liabilities	<u>2,240</u>	<u>847</u>	<u>3,087</u>	<u>4,958</u>
Noncurrent liabilities:				
Compensated absences payable (notes 1 & 11)	90	14	104	-
General obligation bonds, net of unamortized premiums and deferred amount on refunding (note 11)	-	5,908	5,908	-
Notes payable (note 11)	2,372	-	2,372	-
Total noncurrent liabilities	<u>2,462</u>	<u>5,922</u>	<u>8,384</u>	<u>-</u>
Total liabilities	<u>4,702</u>	<u>6,769</u>	<u>11,471</u>	<u>4,958</u>
Net assets:				
Invested in capital assets, net of related debt	11,391	3,321	14,712	163
Unrestricted	4,176	1,857	6,033	3,434
Total net assets	<u>\$ 15,567</u>	<u>\$ 5,178</u>	<u>\$ 20,745</u>	<u>\$ 3,597</u>

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO

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

Proprietary Funds

Year Ended December 31, 2004

(Amounts in 000's)

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water and Sewer	Parking Facilities	Total	Internal Service Funds
Operating revenues:				
Fees and charges for services	\$ 4,685	\$ 2,512	\$ 7,197	\$ 41,871
Other	16	-	16	196
Total operating revenues	4,701	2,512	7,213	42,067
Operating expenses:				
Personal services	769	364	1,133	-
Cost of sales and services	3,262	645	3,907	41,023
Depreciation	250	312	562	15
Total operating expenses	4,281	1,321	5,602	41,038
Operating income (loss)	420	1,191	1,611	1,029
Nonoperating revenues (expenses):				
Interest expense	(153)	(338)	(491)	-
Bond issuance costs	-	(11)	(11)	-
Total nonoperating revenues (expenses)	(153)	(349)	(502)	-
Income (loss) before contributions and transfers	267	842	1,109	1,029
Capital contributions	3,568	-	3,568	-
Transfers in	1,375	-	1,375	-
Change in net assets	5,210	842	6,052	1,029
Net assets - beginning (restated) (note 3)	10,357	4,336	14,693	2,568
Net assets - ending	\$ 15,567	\$ 5,178	\$ 20,745	\$ 3,597

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO

Statement of Cash Flows

Proprietary Funds

Year Ended December 31, 2004

(Amounts in 000's)

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Water and Sewer	Parking Facilities	Total	Internal Service Funds
Cash flows from operating activities:				
Cash collections from customers	\$ 4,810	\$ 2,516	\$ 7,326	\$ 46,369
Cash payments to suppliers	(2,816)	(642)	(3,458)	(45,857)
Cash payments for salaries	(752)	(366)	(1,118)	-
Net cash provided by (used in) operating activities	1,242	1,508	2,750	512
Cash flows from capital and related financing activities:				
Proceeds of capital grants	2,733	-	2,733	-
Construction and acquisition of capital assets	(3,544)	-	(3,544)	-
Transfers from other funds for capital purposes	1,375	-	1,375	-
Repayment of advance from other fund for capital purposes	-	(210)	(210)	(48)
Principal payments on bonds and notes	(171)	(770)	(941)	-
Interest payments on bonds and notes	(153)	(323)	(476)	-
Net cash used in capital and related financing activities	240	(1,303)	(1,063)	(48)
Increase (decrease) in cash for the year	1,482	205	1,687	464
Cash and cash equivalents - beginning (restated)	3,010	1,662	4,672	536
Cash and cash equivalents - ending	\$ 4,492	\$ 1,867	\$ 6,359	\$ 1,000

The notes to the basic financial statements are an integral part of this statement.

(Continued on next page)

FRANKLIN COUNTY, OHIO

(Continued)

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2004
 (Amounts in 000's)

	Business-type Activities			Governmental
	Enterprise Funds			Activities
	Water and Sewer	Parking Facilities	Total	Internal Service Funds
Reconciliation of operating income to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 420	\$ 1,191	\$ 1,611	\$ 1,029
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	250	312	562	15
Changes in operating assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	93	4	97	245
Due from other funds	-	-	-	2,739
Inventories	29	2	31	-
Prepaid items	43	-	43	1,100
Increase (decrease) in:				
Accrued wages	14	3	17	-
Accounts payable and other accrued liabilities	394	4	398	(4,569)
Due to other funds	(8)	(9)	(17)	(47)
Compensated absences	7	1	8	-
Net cash provided by (used in) operating activities	\$ 1,242	\$ 1,508	\$ 2,750	\$ 512

NONCASH CAPITAL TRANSACTIONS

Due from other governments for capital purposes	\$ 835	\$ -	\$ 835	\$ -
Construction of capital assets in accounts payable	\$ 1,203	\$ -	\$ 1,203	\$ -

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
December 31, 2004
(Amounts in 000's)

	Agency Funds
Assets:	
Equity with County Treasurer (notes 1 & 5)	\$ 149,979
Cash and investments in segregated accounts (notes 1 & 5)	23,908
Due from other governments	3,198
Property taxes receivable, net (note 7)	1,222,967
Total assets	\$ 1,400,052
Liabilities:	
Undistributed assets	\$ 1,356,365
Deposits held and due to others	43,687
Total liabilities	\$ 1,400,052

The notes to the basic financial statements are an integral part of this statement.

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 1 – Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting principles. Franklin County (the County and the primary government) follows GASB guidance as applicable to its governmental and business-type activities, and Financial Accounting Standards Board (FASB) statements and interpretations, Accounting Principles Board opinions, and Accounting Research Board bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements or that have been made applicable by the GASB. The County has elected to follow GASB guidance for business-type activities and proprietary funds rather than FASB guidance issued after November 30, 1989. The most significant of the County's accounting policies are described below.

A. Reporting Entity

Franklin County was formed in 1803 and is a political subdivision of the State of Ohio. The three Commissioners serve as the County's budgeting, taxing and contracting authority. The Auditor serves as the chief fiscal officer. The Treasurer serves as the custodian of funds. All are elected positions.

The reporting entity is comprised of the primary government and other organizations (component units) that are included to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County and for which the Commissioners are financially accountable.

Component units are legally separate organizations for which the County is financially accountable. Financial accountability exists in situations where the Commissioners appoint a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt or the levying of taxes.

The component units column on the government-wide financial statements includes the financial data of the County's discretely presented component units. They are reported in a separate column to emphasize their legal separation from the County. Condensed financial information for each component unit is provided in note 19.

ARC Industries, Incorporated, of Franklin County, Ohio (ARC Industries) ARC Industries is a sheltered, not-for-profit workshop that enters into contracts with the business community to provide workers for various manufacturing and service industry jobs. ARC Industries employs clients of the Franklin County Board of Mental Retardation and Developmental Disabilities (the Board of MR&DD) to fill these positions. (The Board of MR&DD is part of the primary government and its operations are accounted for as a special revenue fund.) All supervisory personnel at ARC Industries are Board of MR&DD employees. The Board of MR&DD trains the client-employees and provides the training supplies as well as the production facilities. ARC Industries buys the supplies used in its manufacturing processes. The two entities cooperate under a joint agreement that is automatically renewed annually unless either party gives notice within 30 days of year-end of its intention to cancel the agreement.

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

ARC Industries' board is appointed by the Board of MR&DD. Through ARC Industries' relationship with the Board of MR&DD, the County can impose its will on ARC Industries, and ARC Industries imposes a financial burden on the County.

Veterans Memorial Hall Veterans Memorial Hall was built to commemorate the services of all members and veterans of the United States armed forces and to provide a center for veterans' meetings and programs. The Commissioners appoint the board of trustees in a non-authoritative manner. The designation of Veterans Memorial Hall's management and control of its operations are under the direction and control of the trustees.

The County owns Veterans Memorial Hall and leases it to the trustees under an agreement that extends until 2013. Under the agreement, the County receives rent equal to Veterans Memorial Hall's annual net income from operations plus all reserves in excess of \$250,000. In recent years, the rent paid under this formula has been well below the market rate for use of this type of facility, imposing a financial burden on the County.

The County has issued general obligation bonds to finance renovations and improvements to the facility. Activity related to this project is recorded in the County's Capital Projects fund. Debt service is the County's responsibility.

Franklin County Stadium, Inc. and Columbus Baseball Team, Inc. (Stadium and Team) These two interrelated nonprofit corporations were organized under ORC Chapter 1702 to provide entertainment and recreation in the stadium for the benefit and general welfare of the County. Upon dissolution of the corporations, their assets become the property of the Commissioners. The Franklin County Board of Parks and Recreation directs both the stadium and the team. While appointed by the Commissioners, the board operates autonomously and selects its own management.

The County owns the franchise for the team, entitling the County to field a team in the International League but without the authority to determine which team plays in the stadium. The Stadium and Team manages and operates Cooper Stadium, which is owned by the County, through a lease agreement. The County, upon one year's notice, can cancel the lease agreement. The County receives rent equal to those revenues in excess of expenditures that are not required for future operation of the Stadium and Team, with minimum annual rent of \$1. Because the rent is well below the market rate, the Stadium and Team imposes a financial burden on the County.

Complete financial statements for each of the individual component units may be obtained from the unit's administrative office.

ARC Industries
2879 Johnstown Road
Columbus, Ohio 43219

Veterans Memorial Hall
300 West Broad Street
Columbus, Ohio 43215

Franklin County Stadium
1155 West Mound Street
Columbus, Ohio 43223

In the case of the entities listed below, the County serves as fiscal agent but is not financially accountable for their operations. Accordingly, the activities of these entities are presented as agency funds within the basic financial statements.

Franklin County Board of Health
Franklin County Soil and Water Conservation District
Franklin County Family and Children First Council
Mid-Ohio Regional Planning Commission

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

The County's joint ventures and related organizations are listed below. A joint venture is a legal entity or other organization that results from a contractual arrangement, and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or responsibility. For the related organizations, the County either appoints or acts as a member on the board, but the County's accountability for the organizations does not extend beyond the board membership. See notes 20 and 21, respectively, for more detail.

Joint Ventures

Franklin Park Conservatory Joint Recreation District
Columbus/Franklin County Affordable Housing Trust Corporation
Columbus Regional Airport Authority

Related Organizations

Central Ohio Workforce Investment Corporation
Columbus Metropolitan Library
Columbus Metropolitan Housing Authority
Columbus and Franklin County Metropolitan Park District
Franklin County Family and Children First Council
Franklin County Convention Facilities Authority
New Albany Community Authority District

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Measurement Focus Measurement focus refers to *what* is expressed in reporting an entity's financial performance and position. A particular measurement focus is accomplished by considering *which* resources are measured. Changes in the economic resources are reflected as changes in net assets (total assets less total liabilities). This focus is used in the government-wide, the proprietary fund and the fiduciary fund financial statements. Changes in the current financial resources focuses on the transactions or events that have increased or decreased the resources available for spending in the near future. This focus is used in the governmental fund financial statements.

Basis of Accounting Basis of accounting determines *when* transactions are reported on the financial statements. Differences in the accrual and the modified accrual basis of accounting arise in the timing of recognition of revenue and the recording of deferred revenue, and in the presentation of expenses versus expenditures. The government-wide, the proprietary fund and the fiduciary fund financial statements report transactions on the accrual basis. The governmental fund financial statements utilize the modified accrual method. On the 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 soon enough to be used to pay liabilities of the current fiscal year. The County considers revenues to be available if collected within sixty days of year-end. Under the non-GAAP budgetary basis, transactions are recorded when cash is received or disbursed.

Revenues: Exchange and Non-exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On the accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place.

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

On the modified accrual basis, revenue from transactions must also be available before it can be recognized. Under this basis, the following revenue sources are considered to be both measurable and available at year-end: sales taxes, interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

Unearned Revenue Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. Property taxes for which there is an enforceable legal claim as of December 31, 2004, but which were levied to finance year 2005 operations, have been recorded as unearned revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as unearned revenue.

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

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is decreases in net financial resources (expenditures) rather than expenses. On the modified accrual basis, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, provided current financial resources are to be used. As a result, compensated absences and most claims and judgments are not recorded as expenditures or liabilities until current financial resources are required. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

Financial Statement Presentation The County's basic financial statements consist of government-wide statements displaying information about the County as a whole, and fund financial statements that provide a more detailed level of financial information.

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. The statement of net assets and the statement of activities include the non-fiduciary financial activities of the primary government and its component units. The statements distinguish between those primary government activities that are governmental (financed primarily by taxes and grants) and those that are business-type (relying significantly on user fees and charges). Component units are aggregated and shown in a single column, regardless of the type of underlying activity.

The statement of net assets presents the financial condition of the governmental and business-type activities of the County and its component units at year-end. All assets and liabilities associated with the operation of the County are included. Interfund receivables and payables within governmental activities and within business-type activities have been eliminated to minimize the duplicating effect on assets and liabilities within the governmental and business-type activities total columns. The balances of the internal service funds have been eliminated against the expenses and program revenues shown in governmental activities on the statement of activities.

The statement of activities demonstrates the degree to which the direct expenses are offset by program revenues for each function of the County's governmental activities, for each segment of the business-type activities of the County and for activities of the County's component units. This comparison of direct expenses with program revenues identifies the extent to which each segment or function is self-financing or draws from the County's general revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function or

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

segment. Program revenues include (1) charges paid by the recipient of the goods or services and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues are presented as general revenues of the County. The activities of the internal service funds and interfund activity within the same function have been eliminated to avoid duplicating revenues and expenses. However, interfund services provided and used between functions are not eliminated in the process of consolidation. The County does not allocate indirect expenses to functions or segments in the statement of activities.

Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (see note 7). Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include *timing* requirements that 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.

Fund Financial Statements During the year, the County uses funds to segregate transactions related to certain functions or activities in order to aid financial management and demonstrate legal compliance. Separate financial statements present financial information at a more detailed level for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The governmental and enterprise fund financial statements focus on major funds, with each major fund presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The County also maintains two internal service funds. Agency funds, which are a type of fiduciary fund, are used to account for assets held by the government as an agent for individuals, private organizations and other governments.

Governmental Funds Governmental funds are those through which most governmental functions are financed. All governmental funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Expendable assets are assigned to the various governmental funds according to the purposes for use. 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 statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Therefore, a reconciliation with brief explanations is included so as to better identify the relationship between the government-wide statements and the statements for governmental funds.

The following are the County's major governmental funds:

General Fund The General Fund is the primary operating fund and is available for any purpose, provided it is expended or transferred in accordance with state law. It accounts for all financial resources of the primary government not recorded elsewhere.

Board of Mental Retardation and Developmental Disabilities (Board of MR&DD) Fund The Board of MR&DD fund accounts for property taxes and federal and state grants restricted to expenditures for those services that benefit the mentally retarded and the developmentally disabled. Expenditures include those for social service contracts, medical providers and the maintenance and operation of buildings and buses.

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Children Services Board Fund The Children Services Board fund accounts for property taxes and federal and state funds restricted for programs designed to help abused, neglected, dependent and troubled children and their families.

Alcohol, Drug and Mental Health Board (ADAMH Board) Fund The ADAMH Board fund accounts for the provision of alcohol, drug addiction and mental health services to the public, generally through contracts with local mental health agencies. The largest revenue sources are property taxes, and federal and state funding.

Public Assistance Fund The Public Assistance fund accounts for funding from various federal and state grants used to provide job training and public assistance to qualified clients, to pay their medical assistance providers and for certain social services.

The County's nonmajor governmental funds account for (1) grants and other resources where use is restricted to a particular purpose; (2) the accumulation of resources for, and payment of, the principal, interest and related costs for the County's general long-term debt; and (3) financial resources used for the acquisition, construction or renovation of facilities (other than those financed by proprietary funds).

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

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The County intends that the cost of providing services to the general public on a continuing basis be financed or recovered primarily through user charges. The County's enterprise funds are listed below:

Water and Sewer Fund The Water and Sewer fund accounts for the provision of water and sewer services to some parts of the County not serviced by other local water and sewer operations.

Parking Facilities Fund The Parking Facilities fund accounts for the fees and operations of parking facilities near County offices that serve County employees and the general public.

Internal service funds account for the financing of services provided by one agency to other agencies of the government on a cost-reimbursement basis. The County has an internal service fund to account for employee benefits and one for telecommunication charges to other funds.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets and uses the accrual basis of accounting. Because of their custodial nature, fiduciary funds do not measure results of operations and do not have a measurement focus. The County uses agency funds to account for assets held in a purely custodial capacity as fiscal agent for other entities, and for various taxes, state-shared revenues,

FRANKLIN COUNTY, OHIO
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and fines and forfeitures collected on behalf of and distributed to other local governments. Agency fund transactions typically involve only the receipt, temporary investment and distribution of these resources.

C. Cash, Cash Equivalents and Investments

Cash resources of the majority of individual funds are combined to form a pool of cash and investments managed by the County Treasurer. Interest earned on investments is accrued as earned. Under existing Ohio law, all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Distribution is made utilizing a formula based on the average month-end balance of cash and cash equivalents of all funds.

For reporting purposes, "Equity with County Treasurer" is defined as cash on hand, demand deposits and investments held in the County treasury. "Cash and investments in segregated accounts" is defined as cash, deposits and investments not held in the treasury. "Restricted cash" is defined as cash, deposits and investments held either in the treasury or in an outside account, and which is separate from the County's assets (e.g., customer deposits or unclaimed moneys).

For cash flow reporting purposes, the County's proprietary funds consider cash and cash equivalents to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. "Equity with County Treasurer" is considered to be cash and cash equivalents since these assets are available on demand.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments held by the Treasurer are stated at fair value using quoted market prices, except for repurchase agreements that are reported at cost. Net unrealized gains and losses calculated through the aggregate method are recorded as investment income in the General Fund. By statute, the Treasurer invests any short-term cash surplus. The residual investments are included in "Equity with County Treasurer." STAR Ohio is an investment pool that allows governments within the State to pool their funds for investment purposes. STAR Ohio is managed by the State Treasurer's Office and is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on December 31, 2004. Note 5 provides detailed disclosure regarding cash, cash equivalents and investments held by the County.

Investments held by the Component Units are considered available for sale and are stated at fair value. The Component Units use the specific identification cost method when calculating realized gains and losses on sales of investments.

D. Loans Receivable

"Loans receivable" consists of long-term revolving loans for housing and community development projects. The programs are primarily funded by a federal block grant, with a local match from the County. "Loans receivable" is offset by a credit to "Unearned revenue." The expenditure is recorded when the loan is made. The loans for which there is some doubt of collection are not included in the receivable.

E. Inventory

Inventory consists of expendable supplies held for consumption. Inventories are valued at cost using the first in/first out (FIFO) method and recorded as expenditures/expenses when used rather than when purchased.

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Notes to the Basic Financial Statements
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F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004, are recorded as prepaid items in both the government-wide and fund financial statements. The consumption method is used, recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

G. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds and 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 fund financial statements.

Capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market value as of the date received. The County maintains a capitalization threshold of \$5,000 (amount not rounded), an estimated life of five or more years and a salvage value equal to 10 percent of the original cost for certain assets. The County's infrastructure consists of roads, bridges, culverts, water lines and sewer lines. The costs of improvements and major renovations that extend the asset's useful life are capitalized. Interest incurred during the construction of assets utilized by the enterprise funds is also capitalized. Normal maintenance and repair costs that do not add to the value of the asset nor materially extend an asset's life are not capitalized.

Capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure have been estimated based on the County's historical records of necessary improvements and replacement. Capital assets are shown net of accumulated depreciation. Depreciation and amortization of capitalized interest are computed using the straight-line method over the following estimated useful lives:

Buildings	50 years
Building improvements	10-25 years
Roads, bridges and culverts	37-50 years
Sewer and water lines	20-70 years
Machinery and equipment	5-20 years

H. Interfund Balances

Activity between funds that represents lending/borrowing arrangements outstanding, and unpaid interfund services at the end of the fiscal year are referred to as "Due to/from other funds" or "Advances to/from other funds." Interfund receivables and payables within governmental activities and within business-type activities have been eliminated in the government-wide statement of net assets; any residual balances outstanding between the governmental activities and business-type activities are reported as "Internal balances."

I. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported on the government-wide statement of net assets, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements. Bond premiums and discounts, as well as

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in full from current financial resources are reported as obligations of the funds. Bonds, loans and capital leases are recognized as liabilities on the fund financial statements when due.

J. Self-insurance

The County is self-insured for employee health care benefits. Each County department is charged for its share of covered employees. The County has recorded a liability at year-end for both pending claims and incurred but unreported claims.

K. Compensated Absences

The County permits employees to accumulate earned but unused vacation and sick leave benefits. Vacation benefits are accrued as a liability in the government-wide and proprietary fund financial statements when the benefits are earned if (1) the vacation leave is related to services already rendered and (2) it is probable that the employee will be compensated through time off or some other means in a future period. Sick leave benefits are accrued in the government-wide and proprietary fund financial statements using the vesting method. The sick leave liability is based on accumulated sick leave and employee wage rates at December 31 for those employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. A liability for compensated absences is recorded in governmental funds only if they have matured, for example as a result of employee resignation or retirement.

The criteria for determining vacation and sick leave liabilities are based on Commissioners' policies for compensated absences. The policies set by negotiated agreements and by other appointing authorities may vary slightly. In general, vacation and sick leave are accumulated based on hours worked. Vacation pay is fully vested after one year of full-time service. By Ohio law, accumulated vacation cannot exceed three times the annual accumulation rate for an employee. There is no limit for the accumulation of sick leave. Employees with eight to eighteen years of service at time of separation or retirement receive payment for one-fourth of their accumulated sick leave. Employees with eighteen or more years of service receive payment for one-half of their accumulated sick leave. All payments are made at the employee's current wage rate.

L. Fund Balance Reserves and Designations

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Unreserved fund balance indicates that portion of fund equity that is available for appropriation in future periods.

M. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consist 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 through Commissioners' resolution, or external restrictions imposed by creditors or grantors, or laws or regulations of other

FRANKLIN COUNTY, OHIO
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governments. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

N. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for water and sewer services and for use of the parking facilities. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the fund. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

O. Capital Contributions

In proprietary fund financial statements, capital contributions arise from contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

P. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

Q. Estimates

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

Note 2 – Changes in Accounting Principles

The Governmental Accounting Standards Board (GASB) has issued several pronouncements recently. With this financial report, the County has implemented GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, which clarifies existing guidance on component units in GASB Statement No. 14, *The Financial Reporting Entity*, and GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, which amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*. Implementation of these GASB statements had no impact on the County's financial position or results of operations.

Other pronouncements (listed below) become effective for the County in the future. The County intends to adopt these pronouncements at the required time. The County has not determined the effect, if any, that adoption of these statements will have on its financial statements.

- GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries* – effective for fiscal years beginning after December 15, 2004

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- GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* – effective for fiscal years beginning after December 15, 2005
- GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section—an amendment of NCGA Statement 1* – effective for fiscal years beginning after June 15, 2005
- GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* – effective for fiscal years beginning after December 15, 2006
- GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation – an amendment of GASB Statement No. 34* – effective for fiscal years beginning after June 15, 2005
- GASB Statement No. 47, *Accounting for Termination Benefits* – effective for fiscal years beginning after June 15, 2005

Note 3 – Fund Reclassifications and Restatements

Fund reclassification During calendar year 2004, it was determined that the activities of a fund formally classified as a capital projects fund should be reclassified as part of the General Fund. The fund reclassification has no impact on consolidated fund balance or net assets of the County.

Restatements During calendar year 2004, it was determined that some receivable and liability balances as previously reported were misstated.

Capital Asset Balances Net assets were adjusted to reflect changes as discovered through physical inventories.

Relationship with Component Unit Effective January 1, 2004, Franklin County Residential Services, a former component unit, separated from Franklin County. The Board of Residential Services is now self-appointing, instead of being appointed by the Board of MR&DD, and does not impose a financial burden on the County.

The effects of the reclassification and restatements in the government-wide financial statements are summarized below:

	(Amounts in 000's)	
	Governmental Activities	Component Units
Net assets at 12/31/03, as previously reported	\$ 763,356	\$ 24,057
Impact of restatement of receivables and liabilities	13,948	(97)
Adjustments to capital asset balances	(395)	-
Impact of separation of component unit	-	(12,394)
Net assets at 12/31/03, as restated	<u>\$ 776,909</u>	<u>\$ 11,566</u>

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The effects of the reclassification and restatements in the fund financial statements are summarized below:

(Amounts in 000's)		
	Governmental Funds	Internal Service Funds
Fund balance/net assets at 12/31/03, as previously reported	\$ 400,727	\$ 2,485
Impact of restatement of receivables and liabilities	2,545	83
Fund balance/net assets at 12/31/03, as restated	<u>\$ 403,272</u>	<u>\$ 2,568</u>

Note 4 – Budgetary Information and Compliance

In accordance with Ohio law, annual budgets are adopted for the General Fund, special revenue funds, the Debt Service fund, the Capital Projects fund, and proprietary funds.

The Franklin County Budget Commission, composed of the Auditor, Treasurer and Prosecutor, approves tax budgets and certificates of estimated resources for the County itself and for schools, municipalities, townships and other agencies that are funded by tax dollars. The certificate of estimated resources issued by the Budget Commission states the projected revenue of each fund and establishes a limit on the amount the County may appropriate. The County's total contemplated expenditures from any fund during the fiscal year cannot exceed the amount available as stated in the certificate of estimated resources. On or about January 1, the certificate of estimated resources is amended to include any unencumbered fund balances from the preceding year. During the year, as actual revenues vary from the estimates, the certificate may be amended further if an estimate needs either to be increased or decreased. Such amendments were made during 2004. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate at the time the original appropriations resolution was adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts in the final amended certificate issued during 2004.

The appropriations resolution is the Commissioners' authorization to spend resources. The resolution sets annual limits on expenditures plus encumbrances at the major object level within a fund, thereby establishing the legal level of control. The Commissioners passed the 2004 appropriation resolution on November 25, 2003. Revisions to the original budget require a resolution signed by at least two Commissioners. Supplemental appropriations were made during 2004. At the end of the year, all encumbrances are canceled and all appropriations lapse, reverting to the respective funds from which they were appropriated.

The County reports financial position, results of operations and changes in fund balance based on generally accepted accounting principles (GAAP). State law also requires the County to account for transactions on a non-GAAP budgetary basis of cash receipts, cash disbursements and encumbrances. The major differences between the non-GAAP budgetary basis and the GAAP basis are that:

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1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures/expenses are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Borrowing arrangements between funds are treated as revenues and expenditures (budget) as opposed to increases and decreases in assets and liabilities (GAAP).

The statement of revenues, expenditures and changes in fund balances – budget and actual (non-GAAP budgetary basis) is presented in the basic financial statements for the General Fund and major special revenue funds. Adjustments necessary to reconcile the results of operations at the end of the year between the GAAP basis and the non-GAAP budgetary basis are as follows:

Net Change in Fund Balance (Deficit) General and Major Special Revenue Funds (Amounts in 000's)					
	General	Board of MR&DD	Children Services Board	ADAMH Board	Public Assistance
GAAP basis	\$ (25,739)	\$ (5,629)	\$ (9,179)	\$ (15,208)	\$ (5,134)
Net adjustment for revenue accruals	(286)	(2,431)	(2,409)	9,501	2,012
Net adjustment for expenditure accruals	(985)	20,466	(534)	5,329	(4,863)
Differences in reporting for interfund balances	171	-	-	(449)	1,074
Non-GAAP budgetary basis	\$ (26,839)	\$ 12,406	\$ (12,122)	\$ (827)	\$ (6,911)

Under Ohio law, budgetary appropriations may not exceed estimated resources, with a balanced budget maintained in each fund. For the year ended December 31, 2004, all funds were in compliance. There were no funds in which the estimated resources plus the beginning fund balance (deficit) were not sufficient to cover the current year appropriations. The Public Assistance fund has a negative fund balance on the GAAP basis due to the timing of the receipt of intergovernmental revenue.

Note 5 – Cash, Deposits and Investments

Moneys held by the County are classified by state statute into two categories. Active moneys are public moneys determined to be necessary to meet current demand upon the County treasury. Active moneys must be maintained either as cash in the County treasury, in commercial accounts payable or able to be withdrawn on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts. Moneys held by the County that are not considered active are classified as inactive. Inactive moneys are invested in authorized securities in accordance with the Franklin County Treasurer Investment and Depository Policy, as adopted by majority vote of the Investment Advisory Committee.

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A. Primary Government

Deposits: Deposits include amounts held in demand accounts and savings accounts. At year-end, the carrying amount of the County's deposits was \$209,567,000. The bank balances totaled \$210,359,000. Both the book and bank balances include \$11,000,000 in certificates of deposit.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned. 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 County Treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public moneys deposited with the institution. Of the bank balances totaling \$210,359,000, \$1,691,000 was insured by FDIC. The remaining balance of \$208,668,000 was collateralized with securities held in single financial institution collateral pools in the name of the respective depository bank and pledged as a pool of collateral against all the public moneys it holds. All County demand deposits were either insured or collateralized, in accordance with state law and the County's investment policy.

Investments: The following securities are authorized investments under both the County's policy and the Ohio Revised Code:

1. United States Treasury notes, bills, bonds, or other obligation or security issued by the Treasury, any other obligation guaranteed as to principal and interest by the U. S., or any book entry, zero-coupon security that is a direct obligation of the United States.
2. Bonds, notes, debentures, or any other obligations or securities issued directly by any federal government agency or instrumentality.
3. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that the investments are made only through eligible institutions.
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County.
5. The State Treasurer's investment pool (STAR Ohio).
6. Up to 15 percent of the County's total average portfolio in high grade notes issued by U. S. corporations, and the notes mature no later than two years after purchase.
7. Up to 25 percent of the County's total average portfolio in either of the following:
 - a. High grade commercial paper when the aggregate value of the notes does not exceed ten percent of the aggregate value of the outstanding commercial paper of the issuing corporation, and the notes mature no later than 270 days after purchase.
 - b. Bankers acceptances of banks insured by the FDIC when the obligations are eligible for purchase by the Federal Reserve System and mature no later than 180 days after purchase.
8. High grade debt interests issued by foreign nations diplomatically recognized by the U.S. government. All interest and principal shall be denominated and payable in U.S. funds. In the

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aggregate, this investment shall not exceed one percent of the County's total average portfolio and shall mature no later than five years after purchase.

9. Written repurchase agreements in the securities described in (1) or (2) provided that the market value of the agreement be at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days.

Investments in derivative securities, reverse repurchase agreements and collateralized mortgage obligations are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and purchases on margin or short sale are also prohibited. An investment must mature within five years from the date of purchase unless matched to a specific County obligation or debt.

As of December 31, 2004, the primary government had the following investments (based on quoted market prices) and maturities:

Investment Type	Amounts in 000's, Time in Years				% of Portfolio
	Fair Value	Less than 1	1 – 2	3 – 5	
U.S. treasuries	\$ 553	\$ 226	\$ 224	\$ 103	.14%
FHLB notes	132,024	29,694	84,045	18,285	35.74%
FNMA notes	104,945	4,968	34,678	65,299	28.40%
FHLMC notes	93,872	4,974	63,788	25,110	25.40%
FFCB notes	9,935	-	9,935	-	2.69%
FMCNT notes	5,004	-	-	5,004	1.35%
Municipal bonds	1,259	1,259	-	-	.34%
STAR Ohio	21,905	21,905	-	-	5.93%
Money markets	15	15	-	-	.01%
Total investments	\$ 369,512	\$ 63,041	\$ 192,670	\$ 113,801	100.00%

Interest rate risk: The Ohio Revised Code and the Investment and Depository Policy of the County limit the purchase of securities to those with a maturity of no more than five years from the date of purchase unless matched to a specific obligation or debt of the County.

Credit risk: The ORC limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations at the time of purchase. In addition, the County's investment policy requires that all corporate bonds be triple-A rated issuers (the highest possible rating). All federal agency notes as well as the Ohio Municipal Series A bond had a rating of AAA from Standard & Poor's, and Aaa from Moody's. Standard & Poor's has assigned STAR Ohio an AAAM money market rating. The County had investments in three other money market accounts at year-end, each rated AAAM by Standard & Poor's.

Concentration of credit risk: The County's investment policy provides for diversification to avoid undue concentration in securities of one type or securities of one financial institution. This restriction does not apply to obligations guaranteed by the U.S. government. Of the County's total investments, 35.7 percent are FHLB notes, 28.4 percent are FNMA notes and 25.4 percent are FHLMC notes; 5.9 percent is invested in STAR Ohio. All other investments not explicitly guaranteed by the U.S. government are less than five percent of the County's total investments.

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Custodial credit risk: For an investment, the custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In order to mitigate custodial risk, the County purchases its investments only through an approved broker/dealer or institution. Further, payment for investments is 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.

B. Component Units

Deposits: All monies are deposited into banks or investment companies designated by each component unit's governing board. Funds not needed for immediate expenditure may be deposited in interest bearing or non-interest bearing accounts, or U.S. government obligations. Security shall be furnished for all deposits, whether interest bearing or non-interest bearing, except that no such security is required for U.S. government obligations.

Custodial risk is the risk that, in the event of bank failure, the deposits of the component unit might not be recovered. At December 31, 2004, discretely presented component units held demand deposits with a carrying value of \$4,149,000. The bank balances totaled \$4,348,000. Both the book and bank balances include \$300,000 in certificates of deposit. Of the bank balances totaling \$4,348,000, \$642,000 was insured by FDIC. The remaining balance of \$3,706,000 was uncollateralized, however \$3,000 was covered by a pledged collateral pool.

Investments: As of December 31, 2004, the component units had the following investments (based on quoted market prices) and maturities (where applicable):

Amounts in 000's, Time in Years			
Investment Type	Fair Value	Weighted Average Maturity	Percentage of Portfolio
U.S. treasuries	\$ 669	1.32	14.23%
Federal agencies	400	1.37	8.51%
STAR Ohio	177	.003	3.77%
Managed equity account	1,357	N/A	28.88%
Mutual funds	946	N/A	20.13%
Money market accounts	698	N/A	14.86%
Cash surrender value of life insurance	260	N/A	5.53%
Deferred compensation	192	N/A	4.09%
Total investments	<u>\$ 4,699</u>		<u>100.00%</u>

Interest rate risk: The component units do not have policies limiting investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit risk: The investments in STAR Ohio are rated AAAM by Standard & Poor's. The component units do not place a limit on the amount that may be invested in any one issuer.

FRANKLIN COUNTY, OHIO
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For the Year Ended December 31, 2004

Custodial credit risk: For an investment, the custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the component unit will not be able to recover the value of the investments or collateral securities that are in the possession of an outside party. In order to mitigate custodial risk, the component units purchase their investments only through an approved broker/dealer or institution.

C. Reconciliation to Statement of Net Assets

The deposits and investments reconcile to the statements of net assets as follows:

(Amounts in 000's)			
	Primary Government	Component Units	Total
Deposits and investments:			
Carrying amount of deposits	\$ 209,567	\$ 4,149	\$ 213,716
Fair value of investments	369,512	4,699	374,211
Interest on investments	270	-	270
Outstanding warrants	(24,727)	-	(24,727)
Total deposits and investments	<u>\$ 554,622</u>	<u>\$ 8,848</u>	<u>\$ 563,470</u>
Per statement of net assets:			
Equity with County Treasurer	\$ 377,906	\$ -	\$ 377,906
Cash and investments			
in segregated accounts	1,325	8,848	10,173
Restricted cash	1,504	-	1,504
	<u>380,735</u>	<u>8,848</u>	<u>389,583</u>
Per statement of fiduciary net assets:			
Equity with County Treasurer	149,979	-	149,979
Cash and investments			
in segregated accounts	23,908	-	23,908
	<u>173,887</u>	<u>-</u>	<u>173,887</u>
Total per statement of net assets	<u>\$ 554,622</u>	<u>\$ 8,848</u>	<u>\$ 563,470</u>

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 6 – Interfund Balances and Transfers

Interfund balances consisted of the following:

A. Due to/from Other Funds

These balances resulted primarily from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur and payment is made. Some balances are a result of short-term loans.

(Amounts in 000's)		
Receivable Fund	Payable Fund	Amount
General	Children Services Board	\$ 185
	ADAMH Board	38
	Public Assistance	1,896
	Nonmajor governmental funds	537
	Enterprise funds	4
		<u>2,660</u>
Children Services Board	Board of MR&DD	61
	Public Assistance	115
		<u>176</u>
ADAMH Board	Nonmajor governmental funds	<u>53</u>
Nonmajor governmental funds	Board of MR&DD	7
	ADAMH Board	2
	Public Assistance	164
	Nonmajor governmental funds	181
		<u>354</u>
Internal service funds	General	3,370
	Children Services Board	930
	ADAMH Board	22
	Public Assistance	876
	Nonmajor governmental funds	1,255
	Enterprise funds	28
		<u>6,481</u>
		<u>\$ 9,724</u>

B. Advances to/from Other Funds

The following loans between funds are long-term in nature and are classified as advances. The advances at December 31, 2004 are as follows:

(Amounts in 000's)		
Receivable Fund	Payable Fund	Amount
General	Nonmajor governmental funds	<u>\$ 465</u>

FRANKLIN COUNTY, OHIO
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For the Year Ended December 31, 2004

C. Interfund Transfers

Transfers are used to move revenues from the fund that collects them in accordance with statute or budget to the fund that is required to expend them in accordance with statute or budget; to segregate money for anticipated capital projects; to provide resources for current operations; or to service debt.

(Amounts in 000's)					
Transfer out	Transfer in				
	General	Public Assistance	Nonmajor Governmental Funds	Enterprise Funds	Total
General	\$ -	\$ 6,716	\$ 15,985	\$ 1,375	\$ 24,076
ADAMH Board	-	-	53	-	53
Public Assistance	-	-	1,074	-	1,074
Nonmajor governmental funds	237	-	1,024	-	1,261
	<u>\$ 237</u>	<u>\$ 6,716</u>	<u>\$ 18,136</u>	<u>\$ 1,375</u>	<u>\$ 26,464</u>

D. Due to Component Unit/from Primary Government

The following balance resulted from transactions with a component unit:

(Amounts in 000's)		
Receivable Component Unit	Payable Fund	Amount
ARC Industries	Board of MR&DD	<u>\$ 184</u>

Note 7 – Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2004 for real and public utility property taxes represents collection of 2003 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) is for 2004 taxes.

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by state law at 35 percent of appraised market value. 2003 real property taxes are collected in and intended to finance 2004. The total assessed value upon which the 2004 real estate tax collection was based was \$21.761 billion. The full tax rate applied to real property for all County units was \$16.99 per \$1,000 of assessed valuation.

Tangible personal property is that property used in business and is assessed at 25 percent on everything except inventories. The inventory assessment percentage for tax year 2004 is 23 percent. Tangible personal property taxes are levied on January 1st of the current year. The total value upon which the 2004 tax collection was assessed was \$2.148 billion.

FRANKLIN COUNTY, OHIO
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For the Year Ended December 31, 2004

Public utility taxes are assessed not only on land and improvements, but also on tangible personal property at true value, which is a percentage of cost. Percentages vary according to the type of utility. The total assessed value upon which the 2004 tax collection was based was \$788 million.

The Treasurer bills and collects property taxes on behalf of all taxing districts within the County. The Auditor periodically remits to the taxing districts their portion of the taxes collected. Collection of the taxes and remittance to the taxing districts are accounted for in various County agency funds.

Real property taxes are payable annually or semi-annually. If paid annually, payment is due January 20th; if paid semi-annually, the first payment is due January 20th with the remainder to be paid by June 20th. Real property owners' tax bills are reduced by homestead and rollback deductions, when applicable. The amount of these reductions is reimbursed to the County by the State.

Tangible personal property taxes are due semi-annually with the first payment due April 30th and the remainder to be paid by September 20th. Due dates are normally extended an additional 30 days. By state law, the first \$10,000 of taxable value for each business is exempt from taxation. The resulting tangible personal property exemption is also reimbursed to the County by the State.

"Property taxes receivable" represents delinquent real and tangible personal property and public utility taxes outstanding as of the last settlement (net of allowances for uncollectible amounts) and real property and public utility taxes that were measurable at year-end and for which there is an enforceable legal claim. In the fund financial statements, the entire receivable is offset by unearned revenue since the taxes were not levied to finance 2004 operations. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is unearned.

The County uses actual billings and estimates based on the tax rate multiplied by property value to estimate taxes receivable. The eventual collection of substantially all real property and public utility 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. For tangible personal property taxes (both current and delinquent), a determination of the percentage deemed uncollectible was made based on past experience. This percentage was applied against the gross taxes receivable to yield the estimated net realizable value of these resources.

Note 8 –Notes Receivable

In 1997, the County and the Solid Waste Authority of Central Ohio (SWACO) entered into a repayment agreement under which SWACO is obligated to pay the debt service for bonds issued to finance expansion at the solid waste facility. To secure SWACO's obligation, contract documents were executed and delivered to the County whereby SWACO granted the County a lien on the solid waste facilities, a security interest in its fixtures and personal property, and assignment of permits and licenses necessary for operation of the solid waste facilities. At December 31, 2004, the County recorded \$15,255 as a note receivable for the landfill expansion bonds with a similar reservation of fund balance in the Debt Service fund. See note 11 for description of the related general obligation bonds.

On December 12, 2002, the County, the City of Columbus and the Columbus Municipal Airport Authority entered into the Port Authority Consolidations and Joinder Agreement with an effective date of January 1, 2003. As part of that agreement, the County assumed certain debt related to the former Rickenbacker Port Authority (RPA), with the stipulation that the debt will be serviced with revenues from the newly created Columbus Regional Airport Authority (CRAA). At December 31, 2004, the County recorded \$745 as a note receivable for the RPA Ohio Public Works Commission loan, with a similar reservation of fund balance in the General Fund, and \$1,640 as a note receivable for the Rickenbacker Port Authority

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

facilities bonds, with a similar reservation of fund balance in the Debt Service fund. See note 11 for description of the related general obligation bonds and OPWC loan.

The following is a summary of the future payments to be received by the County for the notes:

(Amounts in 000's)				
	CRAA		SWACO	Total
	OPWC Loan	Bonds		
2005	\$ 75	\$ 951	\$ 1,589	\$ 2,615
2006	74	886	1,588	2,548
2007	75	-	1,589	1,664
2008	74	-	1,588	1,662
2009	75	-	1,599	1,674
2010 to 2014	372	-	8,120	8,492
2015 to 2017	-	-	4,968	4,968
Total payments to be received	745	1,837	21,041	23,623
Less: Amount representing interest	-	(197)	(5,786)	(5,983)
Notes receivable	\$ 745	\$ 1,640	\$ 15,255	\$ 17,640

Note 9 – Capital Leases - Lessor Disclosure

The County acts as lessor in three outstanding direct financing lease agreements. The facilities under lease, the lessees and debt principal outstanding at December 31, 2004, include the following:

(Amounts in 000's)		
Facility	Lessee	Principal Outstanding
Fairgrounds Project	Franklin County Agricultural Society	\$ 224
Hall of Justice Addition	City of Columbus	870
Maryhaven Facility	Maryhaven, Inc.	3,415
		<u>\$ 4,509</u>

Under all agreements, the lessees are required to pay the cost of maintaining and operating the leased facility. Lease payments from the City and Maryhaven are substantially equal to the debt service to be paid by the County for retirement of the bonds associated with those facilities. The payments are recognized as revenue in the Debt Service fund prior to payment of interest and principal on bonds.

The County has recognized the future minimum lease payments, less unearned interest income to be received for capitalized leases, as "Leases receivable" in the General and Debt Service funds. That portion not available at year-end is classified as "Deferred revenue."

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

A summary of the future minimum lease payments to be received by the County, and the components of the net investment in direct financing leases at December 31, 2004, follows:

(Amounts in 000's)					
	General Fund		Debt Service Fund		Total
	Fairgrounds Project	Hall of Justice Addition	Maryhaven Facility		
2005	\$ 50	\$ 916	\$ 354	\$ 1,320	
2006	50	-	359	409	
2007	50	-	358	408	
2008	50	-	357	407	
2009	50	-	357	407	
2010 to 2014	100	-	1,828	1,928	
2015 to 2017	-	-	1,103	1,103	
Minimum lease payments	350	916	4,716	5,982	
Unearned interest income	(126)	(46)	(1,301)	(1,473)	
Net investment in leases	<u>\$ 224</u>	<u>\$ 870</u>	<u>\$ 3,415</u>	<u>\$ 4,509</u>	

Note 10 - Capital Assets

Capital asset activity of the primary government for the year ended December 31, 2004, is shown below. Governmental Activities balances as of 12/31/03 have been restated (see note 3).

Capital Assets				
Primary Government - Governmental Activities				
(Amounts in 000's)				
	Balance 12/31/03	Additions	Reductions	Balance 12/31/04
Capital assets, not being depreciated:				
Land	\$ 24,351	\$ 2,078	\$ (171)	\$ 26,258
Construction in progress	49,624	19,192	(48,540)	20,276
Total nondepreciable capital assets	<u>73,975</u>	<u>21,270</u>	<u>(48,711)</u>	<u>46,534</u>
Capital assets being depreciated:				
Buildings and improvements	287,178	-	-	287,178
Infrastructure	179,257	46,462	(18,722)	206,997
Machinery and equipment	67,447	5,033	(2,276)	70,204
	<u>533,882</u>	<u>51,495</u>	<u>(20,998)</u>	<u>564,379</u>
Less accumulated depreciation for:				
Buildings and improvements	(68,280)	(7,480)	-	(75,760)
Infrastructure	(66,215)	(3,001)	-	(69,216)
Machinery and equipment	(44,223)	(5,433)	1,942	(47,714)
	<u>(178,718)</u>	<u>(15,914)</u>	<u>1,942</u>	<u>(192,690)</u>
Total depreciable capital assets, net	<u>355,164</u>	<u>35,581</u>	<u>(19,056)</u>	<u>371,689</u>
Total capital assets, net	<u>\$ 429,139</u>	<u>\$ 56,851</u>	<u>\$ (67,767)</u>	<u>\$ 418,223</u>

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Capital Assets				
Primary Government – Business-type Activities				
(Amounts in 000's)				
	Balance 12/31/03	Additions	Reductions	Balance 12/31/04
Capital assets, not being depreciated:				
Land	\$ 259	\$ -	\$ -	\$ 259
Construction in progress	1,477	3,709	-	5,186
Total nondepreciable capital assets	<u>1,736</u>	<u>3,709</u>	<u>-</u>	<u>5,445</u>
Capital assets, being depreciated:				
Buildings and improvements	15,484	-	-	15,484
Infrastructure	9,958	1,027	-	10,985
Machinery and equipment	643	10	-	653
	<u>26,085</u>	<u>1,037</u>	<u>-</u>	<u>27,122</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,739)	(354)	-	(5,093)
Infrastructure	(2,995)	(142)	-	(3,137)
Machinery and equipment	(328)	(66)	-	(394)
	<u>(8,062)</u>	<u>(562)</u>	<u>-</u>	<u>(8,624)</u>
Total depreciable capital assets, net	<u>18,023</u>	<u>475</u>	<u>-</u>	<u>18,498</u>
Total capital assets, net	<u>\$ 19,759</u>	<u>\$ 4,184</u>	<u>\$ -</u>	<u>\$ 23,943</u>

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

(Amounts in 000's)	
Governmental activities:	
General government	\$ 4,346
Judicial	650
Public safety	3,593
Human services	910
Health	2,361
Public works	3,819
Conservation and recreation	227
Community development	8
	<u>\$ 15,914</u>
Business-type activities:	
Water and sewer	\$ 250
Parking facilities	312
	<u>\$ 562</u>

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Capital asset activity of the component units for the year ended December 31, 2004, was as follows:

(Amounts in 000's)				
	Balance 12/31/03 (Restated)	Additions	Reductions	Balance 12/31/04
Capital assets, being depreciated:				
Buildings and improvements	\$ 7,004	\$ 72	\$ -	\$ 7,076
Machinery and equipment	4,998	127	-	5,125
	<u>12,002</u>	<u>199</u>	<u>-</u>	<u>12,201</u>
Less accumulated depreciation for:				
Buildings and improvements	(4,333)	(100)	-	(4,433)
Machinery and equipment	(4,260)	(480)	4	(4,736)
	<u>(8,593)</u>	<u>(580)</u>	<u>4</u>	<u>(9,169)</u>
Total depreciable capital assets, net	<u>\$ 3,409</u>	<u>\$ (381)</u>	<u>\$ 4</u>	<u>\$ 3,032</u>

Depreciation expense reported by component units was as follows:

(Amounts in 000's)	
ARC Industries	\$ 100
Veterans Memorial Hall	43
Stadium and Team	437
	<u>\$ 580</u>

Note 11 – Long-term Liabilities

A. Long-term Debt Summary

Primary Government The original issue date, final maturity date, interest rate and original issuance amount for each of the County's long-term debt obligations currently outstanding follows:

Long-term Debt Summary – Governmental Activities (Amounts in 000's)				
	Original Issue Date	Final Maturity	Interest Rate	Original Issue Amount
General obligation bonds:				
Mental Health Building	07/01/86	12/01/10	7.375%	\$ 795
Jail Renovation ¹	08/01/96	12/01/16	4.500 to 6.000%	7,500
Veterans Memorial Improvement ¹	08/01/96	12/01/16	4.500 to 6.000%	8,500
Solid Waste Facility ¹	07/15/97	12/01/17	4.300 to 5.500%	20,000
Series 1993 Refunding ^{1, 2}	04/15/93	12/01/20	2.700 to 5.550%	51,795
Series 2003 Refunding ¹	10/30/03	12/01/13	2.300 to 5.000%	53,985
Rickenbacker Port Authority Project	12/01/85	12/01/06	8.000%	16,400
				<u>158,975</u>
Bonds supported by lease revenues:				
Hall of Justice Addition	06/01/81	06/01/05	10.500%	19,800
Maryhaven Facility ¹	07/15/97	12/01/17	4.300 to 5.500%	4,500
				<u>24,300</u>

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Notes to the Basic Financial Statements
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Long-term Debt Summary – Governmental Activities
(Amounts in 000's)

OPWC loans:				
Sunbury Road Improvements	03/12/02	01/01/07	0.000%	700
Dublin Rd Improvements I	11/08/02	07/01/07	0.000%	1,548
Dublin Rd Improvements II	11/08/02	07/01/07	0.000%	970
Alton & Darby Creek Road Improvements	10/08/03	07/01/08	0.000%	750
Cleveland Ave. Improvements	07/16/03	07/01/08	0.000%	147
Rickenbacker Industrial Park	04/02/95	01/01/15	0.000%	1,489
				<u>5,604</u>
				<u>\$ 188,879</u>

¹ Interest rates vary over the term of the bond per a set schedule. This is not a demand bond.

² Represents only the portion not refunded in the 2003 refunding.

Long-term Debt Summary – Business-type Activities
(Amounts in 000's)

	<u>Original Issue Date</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Issue Amount</u>
Bonds:				
Parking Garage Addition Series 2003 Refunding ¹	11/01/82	12/01/08	10.000%	\$ 6,500
JDC Parking Garage portion	10/30/03	12/01/13	2.300 to 5.000%	<u>5,835</u>
				<u>12,335</u>
Notes:				
Forest Ridge Sewer	09/02/88	07/01/13	8.280%	186
Hamilton Meadows Water	04/28/88	07/01/13	8.090%	194
Ridgewood Estates and Oakhurst Knolls Sewer	04/28/88	07/01/13	8.090%	1,478
Village Park and Young Estates Sewer	03/26/92	07/01/17	7.210%	551
Village Park and Young Estates Water	03/26/92	07/01/17	7.210%	274
Lincoln Village and New Rome Water	02/12/95	07/01/15	3.500%	835
Emmit/Mix Avenue Sewer	07/01/97	07/01/21	3.000%	482
				<u>4,000</u>
				<u>\$ 16,335</u>

¹ Interest rates vary over the term of the bond per a set schedule. This is not a demand bond.

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

B. Changes in Long-term Liabilities

Primary Government Changes in the primary government's long-term obligations during the year consisted of the following:

Changes in Long-term Liabilities – Governmental Activities					
(Amounts in 000's)					
	Outstanding			Outstanding	Due in
	12/31/03	Additions	Reductions	12/31/04	One Year
General obligation bonds:					
Mental Health Building	\$ 245	\$ -	\$ (35)	\$ 210	\$ 35
Jail Renovation	5,755	-	(310)	5,445	330
Veterans Memorial Improvement	6,525	-	(350)	6,175	370
Solid Waste Facility	16,045	-	(790)	15,255	835
Series 1993 Refunding	41,880	-	-	41,880	-
Rickenbacker Port Authority	2,460	-	(820)	1,640	820
Series 2003 Refunding:					
Par value	53,985	-	(4,330)	49,655	4,980
Issuance premium	3,630	-	(369)	3,261	369
Less deferred refunding charge	(1,054)	-	107	(947)	(107)
Total Series 2003 Refunding	56,561	-	(4,592)	51,969	5,242
	<u>129,471</u>	<u>-</u>	<u>(6,897)</u>	<u>122,574</u>	<u>7,632</u>
Bonds supported by lease revenues:					
Hall of Justice Addition	1,740	-	(870)	870	870
Maryhaven Facility	3,610	-	(180)	3,430	185
	<u>5,350</u>	<u>-</u>	<u>(1,050)</u>	<u>4,300</u>	<u>1,055</u>
Notes:					
OPWC loans:					
Sunbury Road Improvements	420	-	(140)	280	140
Dublin Road Improvements I	1,083	-	(310)	773	310
Dublin Road Improvements II	679	-	(194)	485	194
Alton & Darby Creek Road Improvements	675	-	(150)	525	150
Cleveland Ave. Improvements	133	-	(29)	104	30
Rickenbacker Industrial Park	819	-	(74)	745	74
	<u>3,809</u>	<u>-</u>	<u>(897)</u>	<u>2,912</u>	<u>898</u>
Other long-term obligations:					
Compensated absences	30,639	2,800	(2,223)	31,216	2,094
Workers compensation	9,948	2,984	(2,562)	10,370	-
Capital leases	1,642	304	(902)	1,044	443
	<u>42,229</u>	<u>6,088</u>	<u>(5,687)</u>	<u>42,630</u>	<u>2,537</u>
	<u>\$ 180,859</u>	<u>\$ 6,088</u>	<u>\$ (14,531)</u>	<u>\$ 172,416</u>	<u>\$ 12,122</u>

FRANKLIN COUNTY, OHIO
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For the Year Ended December 31, 2004

Changes in Long-term Liabilities – Business-type Activities
(Amounts in 000's)

	Outstanding 12/31/03	Additions	Reductions	Outstanding 12/31/04	Due in One Year
Bonds:					
Parking Garage Addition	\$ 1,300	\$ -	\$ (260)	\$ 1,040	\$ 260
Series 2003 Refunding:					
JDC Parking Garage portion					
Par value	5,835	-	(435)	5,400	475
Issuance premium	391	-	(50)	341	50
Less deferred refunding charges	(118)	-	15	(103)	(15)
Total Series 2003 Refunding	<u>6,108</u>	<u>-</u>	<u>(470)</u>	<u>5,638</u>	<u>510</u>
	<u>7,408</u>	<u>-</u>	<u>(730)</u>	<u>6,678</u>	<u>770</u>
Notes:					
Forest Ridge Sewer	114	-	(8)	106	9
Hamilton Meadows Water	115	-	(9)	106	9
Ridgewood Estates and Oakhurst Knolls Sewer	901	-	(67)	834	72
Village Park and Young Estates Sewer	407	-	(19)	388	20
Village Park and Young Estates Water	202	-	(9)	193	10
Lincoln Village and New Rome Water	549	-	(40)	509	41
Emmit/Mix Avenue Sewer	436	-	(19)	417	20
	<u>2,724</u>	<u>-</u>	<u>(171)</u>	<u>2,553</u>	<u>181</u>
Compensated absences	112	9	-	121	17
	<u>\$ 10,244</u>	<u>\$ 9</u>	<u>\$ (901)</u>	<u>\$ 9,352</u>	<u>\$ 968</u>

Component Units The component units have no debt. The long-term liabilities relate solely to compensated absences. At December 31, 2004, total long-term liabilities were \$374,000 of which \$39,000 was expected to be paid within one year.

C. Future Debt Service Requirements

The following is a summary of the County's future annual debt service requirements:

	(Amounts in 000's)			
	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2005	\$ 9,585	\$ 6,094	\$ 951	\$ 487
2006	9,055	5,630	983	425
2007	8,913	5,185	1,310	358
2008	8,681	4,834	1,364	286
2009	8,541	4,512	1,143	214
2010-2014	40,171	17,202	3,104	392
2015-2019	37,865	7,624	330	41
2020-2021	6,975	375	46	1
	<u>\$ 129,786</u>	<u>\$ 51,456</u>	<u>\$ 9,231</u>	<u>\$ 2,204</u>

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

D. Funds Used to Retire Long-term Liabilities

All general obligation bonds are supported by the full faith and credit of the County. General obligation bonds and notes will be paid with \$108,591,000 from taxes, and the remainder from lease revenues (note 9), user charges and payments received on the SWACO and CRAA notes (note 8). Compensated absences liabilities will be paid from the fund from which the employee's salary is paid. Capital lease obligations will be paid from the fund that supports the department using the underlying asset.

E. Debt Limitations

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 should not exceed one percent of the total assessed valuation of the County. The ORC further provides that the total voted and unvoted net debt of the County less the same exempt debt should not 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. The effects of the debt limitations at December 31, 2004, are an overall debt margin of \$544,420,000 and an unvoted debt margin of \$167,430,000.

F. Prior Period Defeasance

In 1993, 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. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. At December 31, 2004, \$93,080,000 remained outstanding on the defeased bonds.

G. Optional Redemption

Certain bonds issued by the County are subject to redemption at the County's option. When partial redemption of any of the following bonds is authorized, the bond registrar will select bonds or portions thereof by lot within a maturity in such manner as the bond registrar may determine, provided, however, that the portion of any bond so selected will be in the amount of \$5,000 or an integral multiple thereof. In each case, accrued interest will be paid to the date fixed for redemption. The following schedule summarizes the bond issues subject to optional redemption, the relevant maturity dates, the redemption dates and the redemption rates:

Bonds	Maturity Date	Redemption Dates (Dates Inclusive)	Redemption Prices
Governmental activities:			
Jail Renovation	after 12/01/06	12/01/06 – 11/30/07 12/01/07 and thereafter	101% 100%
Veterans Memorial Improvement	after 12/01/06	12/01/06 – 11/30/07 12/01/07 and thereafter	101% 100%
Solid Waste Facility	after 12/01/07	12/01/07 – 11/30/08 12/01/08 and thereafter	101% 100%
Maryhaven Facility	after 12/01/07	12/01/07 – 11/30/08 12/01/08 and thereafter	101% 100%
Series 1993 Refunding	after 12/01/08	12/01/08 – 11/30/09 12/01/09 – 11/30/10 12/01/10 and thereafter	102% 101% 100%

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 12 – Capital Leases - Lessee Disclosure

The County leases various equipment through lease arrangements. Many of the lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Payments are made from the funds that purchase the assets. The assets acquired through capital leases are as follows:

(Amounts in 000's)	
	Governmental Activities
Machinery and equipment	\$ 5,058
Less accumulated depreciation	(3,967)
	\$ 1,091

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2004, were as follows:

(Amounts in 000's)	
	Governmental Activities
2005	\$ 607
2006	374
2007	247
2008	151
2009	70
Total minimum lease payments	1,449
Less amount representing interest	(405)
Present value of minimum lease payments	\$ 1,044

Note 13 – Operating Leases

The County has entered into various contracts and leases for equipment, land and office space. The following table represents the noncancellable rental liabilities:

(Amounts in 000's)	
	Rental
2005	\$ 4,606
2006	3,624
2007	2,387
2008	1,500
2009	1,500
2010 – 2014	4,128
2015 – 2019	531
2020 – 2024	531
2025 – 2028	425
	\$ 19,232

The County does not have operating leases or contracts after 2028. During 2004, the County incurred expenditures of \$5,554,000 for noncancellable operating leases.

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 14 – Contingencies and Commitments

Contingent Liabilities The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. At December 31, 2004, the audits of certain programs had not been completed. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County believes such disallowances, if any, will be immaterial.

Several claims and lawsuits are pending against the County. The Prosecuting Attorney has used his best judgment as legal counsel for the County to estimate the possible liability that the County could incur. No material liability is expected to arise from the current pending lawsuits.

By resolution, the Commissioners have designated amounts in the fund balance of the General Fund to be used for expenditures in future years. \$15,700,000 has been set aside for “rainy day” purposes.

Commitments The County had several outstanding capital projects as of December 31, 2004. These projects are evidenced by contractual commitments with contractors and include:

(Amounts in 000's)		
Project	Spent to Date	Commitment Remaining
Morse Road at US Route 62 construction	\$ 101	\$ 7,675
Darbydale sewer project construction	4,067	3,274
County Engineer West Outpost construction	1,622	2,479
Water Quality Partnership Program	2,035	1,374
	\$ 7,825	\$ 14,802

The Commissioners have entered into a long-term commitment whereby the County has agreed to contribute approximately \$4.34 million to the Columbus Regional Airport Authority annually through 2012.

Note 15 – Risk Management

The County is exposed to various risks of loss related to torts and general liability; theft of, damage to and destruction of assets; natural disasters; errors and omissions; employee health care claims and injuries to employees. Insurance policies are procured for commercial crime, flood, buildings and contents, equipment, boilers and machinery. In addition, a Commercial Crime and Public Employees Dishonesty policy is in effect for certain agencies that deal with large amounts of cash, and a Faithful Performance Blanket bond is in place for all County employees. Settled claims have not exceeded commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year. Beginning in July, 2004, the County purchased medical malpractice insurance for claims involving inmate medical care. The County elected to retain risk for other losses related to torts, general and excess liability, automobile casualty and employee health care claims rather than insuring those risks through a third-party. The County purchases workers' compensation insurance from the State of Ohio to cover employees and auxiliary staff.

A. Self-insurance for General Liability

The County's General Fund provides unlimited coverage for court judgments resulting from tort and general liability claims of County officials and employees. The County does not use actuaries to determine possible claims liability, nor are any interfund premiums charged. However, the County incorporates nonincremental claims adjustments when setting the annual budget amount for claims, judgments and settlements. The Commissioners appropriated \$200,000 within the General Fund in 2004 to satisfy court-

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

ordered judgments, self-insured claims or other settlements. The actual claims paid during 2004 totaled \$66,000. \$8,437,000 of the General Fund's fund balance has been designated for unasserted claims.

B. Self-insurance for Health Benefits

The County provides multiple health care benefit plans that cover approximately 5,200 County employees. Approximately 450 employees of other political subdivisions are also in the County's insurance pool. During 2004, these benefit programs included a self-insured preferred provider organization (PPO) medical plan and a three-tier prescription drug program. United Healthcare (UHC) administered both programs through March 31, 2004, at which time CatalystRX took over administration of the prescription drug program. UHC charged fees for administrative services only (ASO) to process claims for these self-insured benefit plans. Mt. Carmel Behavioral Health Care, Inc. administered the self-insured behavioral health and chemical dependency program with no out-of-network benefit, as well as the Employee Assistance program which is fully insured. The CompDent Corporation and Spectera provided ASO services for the County's self-insured dental and vision plans respectively. Employer-paid life insurance coverage was furnished to full-time County employees by the U.S. Life Insurance Company in amounts that included \$10,000 each for a basic policy and accidental death and dismemberment. Participating County agencies paid their proportionate share of the aggregate cost for all lines of coverage that included a combination of administrative fees and the actual cost of the claims that were processed by the third-party administrators.

An estimate of amounts to be paid for claims incurred but not reported (IBNR) as of year-end has been developed by the County in conjunction with an actuary, based on appropriate standards of practice promulgated by the Actuarial Standards Board. In particular, Actuarial Standard of Practice No. 5 was used in developing the estimate. All health care costs are allocated to the fund that pays the salary of the enrolled employee. These payments are accounted for as expenditures in the paying funds and as interfund revenue in the Employee Benefits internal service fund from which bills are paid. At December 31, 2004, accounts payable balances included \$627,000 of reported, unpaid County claims and \$3,742,000 as an estimate for IBNR.

The Comprehensive Omnibus Budget Reconciliation Act of 1986 requires the County to offer terminated or retired employees continued participation in the County's employee health care benefits program, provided that the employees pay the rate established by the plan administrator.

C. Workers' Compensation

The County reimburses the Bureau of Ohio Workers' Compensation (the Bureau) for the cost of injured workers' claims. All County agencies participate in the program and make payments for prior and current year claims. Because the plan is retrospectively rated, payments will be made in future periods for injuries sustained during 2004 and prior years. At December 31, 2004, this long-term liability was estimated to be \$10,370,000, a net increase of \$422,000 from the estimate as of December 31, 2003. The County has designated \$9,154,000 of the General Fund's fund balance for these future payments.

D. Summary

When it is probable that a loss has occurred and the amount of the loss can be reasonably estimated, the liability is reported in the fund. Liabilities include an amount for IBNR claims. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs) and other economic and social factors. The estimate of the claims liabilities includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims.

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Changes in claims liabilities for the various plans during 2003 and 2004 were as follows:

(Amounts in 000's)				
	General Liability	Health Benefits	Workers' Compensation	Total
Unpaid claims at 01/01/03	\$ -	\$ 8,554	\$ 8,950	\$ 17,504
2003 net change in				
claims estimate	-	660	998	1,658
2003 incurred claims & IBNR	107	33,894	-	34,001
2003 paid claims	(107)	(33,587)	-	(33,694)
Unpaid claims at 01/01/04	-	9,521	9,948	19,469
2004 net change in				
claims estimate	-	(2,619)	-	(2,619)
2004 incurred claims & IBNR	65	42,998	2,984	46,047
2004 paid claims	(65)	(45,531)	(2,562)	(48,158)
Unpaid claims at 12/31/04	\$ -	\$ 4,369	\$ 10,370	\$ 14,739

The County analyzes all outstanding and potential claims that have arisen or could arise due to the occurrence of a loss contingency on or before December 31, 2004. Those claims that are judged to have a high probability of requiring a settlement and for which the amount required to settle the claim is reasonably estimable are shown as liabilities. Those claims for which the liability cannot be reasonably estimated or which are judged not to have a high probability of settlement are not displayed as liabilities on the balance sheet, but are discussed in note 14.

Note 16 – Defined Benefit Retirement Plans

A. Ohio Public Employees Retirement System

OPERS is a cost-sharing, multiple-employer defined benefit pension plan administered by the Public Employees Retirement Board. The authority to establish and amend benefits is provided by state statute per ORC Chapter 145. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by making a written request to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

OPERS administers three separate pension plans as described below:

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

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the TP and CO Plans. Members of the MD Plan do not qualify for ancillary benefits.

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Contributions are authorized by state statute. For 2004, member and employer contribution rates were consistent across all three plans (TP, MD and CO). Separate divisions for law enforcement and public safety exist only within the TP Plan. The 2004 member contribution rate for members, other than those engaged in law enforcement and public safety, was 8.50 percent of their annual covered salary. The law enforcement classification consists of sheriffs, deputy sheriffs and township police with an employee contribution rate of 10.10 percent for 2004. The County's employer contribution rate for 2004 was 13.55 percent of covered payroll, except for law enforcement where the rate was 16.70 percent.

The County's required contributions to OPERS for the years ended December 31, 2004, 2003 and 2002 were as follows:

	(Amounts in 000's)		
	2004	2003	2002
Employer share	\$ 34,480	\$ 33,795	\$ 32,705
Employee share, paid by employer	3,048	2,995	3,096
Total contributions	<u>\$ 37,528</u>	<u>\$ 36,790</u>	<u>\$ 35,801</u>

The full amount has been contributed for 2003 and 2002. For 2004, 74.91 percent has been contributed with the remainder reported at December 31, 2004, in the Payroll and Benefit Revolving agency fund. This balance was paid to OPERS in the first quarter of 2005.

B. State Teachers Retirement System of Ohio

The County also contributes to STRS Ohio, a cost-sharing, multiple-employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio administers three separate pension plans:

- Defined Benefit (DB) Plan – a cost-sharing, multiple-employer defined benefit pension plan.
- Defined Contribution (DC) Plan – a defined contribution plan in which the member invests all their member contributions and employer contributions equal to 10.50 percent of earned compensation. Members accumulate retirement assets equal to the value of member and vested employer contributions plus any investment earnings thereon. Employer contributions into members' accounts are vested after the first anniversary of the first day of paid service.
- Combined (CO) Plan – a cost-sharing, multiple-employer defined benefit pension plan. The member contributions are allocated by the member, and employer contributions are used to fund a defined benefit payment at a reduced level from the DB Plan.

DC and CO Plan members will transfer to the DB Plan during their fifth year of membership unless they permanently select the DC or CO Plan.

STRS Ohio provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the DB or the CO Plans and their beneficiaries. By Ohio law, health care benefits are not guaranteed. Members of the DC Plan do not qualify for ancillary benefits.

The authority to establish benefits is provided by ORC Chapter 3307. STRS Ohio issues a stand-alone financial report. A copy can be obtained by writing to State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771 or by visiting the STRS Ohio Website at www.strsoh.org.

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Contribution rates are established by STRS Ohio, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10.00 percent for members and 14.00 percent for employers. Actual contributions during 2004 were made equal to the statutory maximum rates. The County's contributions to STRS Ohio for the years ended December 31, 2004, 2003 and 2002 were approximately \$1,266,000, \$1,257,000 and \$1,251,000, respectively. The full amount has been contributed for 2003 and 2002. For 2004, 96.02 percent has been contributed with the remainder reported at December 31, 2004, in the Payroll and Benefit Revolving agency fund. This balance was paid to STRS Ohio in the first quarter of 2005.

Note 17 – Postemployment Benefits

A. Ohio Public Employees Retirement System

OPERS administers three separate pension plans (see note 16.A.). OPERS provides retirement, disability, survivor and postretirement health care benefits to qualifying members of both the Traditional Pension (TP) and the Combined (CO) Plans. However, health care benefits are not statutorily guaranteed. Members of the Member-Directed Plan do not qualify for ancillary benefits, including postemployment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees must have ten or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor recipients is available. The health care coverage provided by the retirement system is considered a type of Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12.

A portion of each employer's contribution to OPERS is set aside for the funding of postretirement health care based on authority granted by state statute. During 2004, the Board allocated 4.00 percent of all employer contributions for member-covered payroll to fund health care.

The OPEB is advance-funded on an actuarially determined basis. The present value is calculated using the entry-age normal actuarial cost method. The difference between assumed and actual experience (actuarial gains and losses) becomes part of the unfunded actuarial accrued liability. Based on OPERS's latest actuarial review, performed as of December 31, 2003 (the latest information available), significant actuarial assumptions include a rate of return on investments of 8.00 percent, active employee base payroll increases of 4.00 percent compounded annually and an increase of between 0.50 percent to 6.30 percent based on additional annual pay increases, with no change in the number of active employees. Health care costs were assumed to increase 4.00 percent annually. For actuarial valuation of the investment portfolio, a smoothed market approach is used. Under this approach, assets are adjusted annually to reflect 25 percent of unrealized market appreciation or depreciation on investment assets.

The number of active contributing participants in the TP and CO Plans totaled 369,885 at December 31, 2004. The County's actual contributions for 2004, that were used to fund OPEB, were approximately \$10,805,000. The actual contribution and actuarially required contribution amounts were the same. \$10.5 billion represents the actuarial value of OPERS's net assets available for OPEB at December 31, 2003. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$26.9 billion and \$16.4 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to skyrocketing health care costs. Under the HCPP, retirees eligible for health care coverage will receive a graded monthly allocation based on their years of service at retirement. The Plan incorporates a cafeteria approach, offering a broad range of health care

FRANKLIN COUNTY, OHIO
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options that allow benefit recipients to use their monthly allocation to purchase health care coverage customized to meet their individual needs. If the monthly allocation exceeds the cost of the options selected, the excess is deposited into a Retiree Medical Account that can be used to fund future health care expenses.

B. State Teachers Retirement System of Ohio

STRS Ohio provides access to health care coverage to retirees who participated in the Defined Benefit or the Combined Plans, and their dependents. Coverage under the current program includes hospitalization, physician fees, prescription drugs and partial reimbursement of monthly Medicare premiums. Pursuant to the ORC, the State Teachers Retirement Board has discretionary authority over how much, if any, of the associated health care costs will be absorbed by STRS Ohio. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

Health care coverage is not statutorily guaranteed. By Ohio law, the cost of coverage paid from STRS Ohio funds shall be included in the employer contribution rate, currently 14.00 percent of covered payroll. The Retirement Board allocates employer contributions to the Health Care Stabilization Fund from which health care benefits are paid. For the fiscal year ended June 30, 2004, the Board allocated employer contributions equal to 1.00 percent of covered payroll to the Health Care Stabilization Fund. For the County, this amount totaled approximately \$90,000 during 2004. The balance in the Health Care Stabilization Fund was \$3.1 billion at June 30, 2004. For the fiscal year ended June 30, 2004, net health care costs paid by STRS Ohio were \$268,739,000. There were 111,853 eligible benefit recipients.

Note 18 – Conduit Debt Obligations

From time to time, the County has issued Hospital, Housing and Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of facilities deemed to be in the public interest. The bonds are secured by the financed property and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the facility transfers to the private-sector entity served by the bond issuance. The County is not 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, 2004, there were 170 series of bonds outstanding. The aggregate principal amount payable for 159 of these series was \$2.1 billion. The aggregate principal amount payable for 11 series issued prior to January 1, 1994, could not be determined; however, the original issue amounts totaled \$34,635,000.

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 19 – Component Units

Three discretely presented component units are included within the reporting entity of the County. Condensed financial statements follow:

Condensed Statement of Net Assets (Amounts in 000's)				
	ARC Industries	Veterans Memorial Hall	Stadium and Team	Total
Assets:				
Current and other assets	\$ 6,575	\$ 321	\$ 3,287	\$ 10,183
Capital assets, net	305	290	2,437	3,032
Total assets	<u>6,880</u>	<u>611</u>	<u>5,724</u>	<u>13,215</u>
Liabilities:				
Current and other liabilities	524	219	656	1,399
Long-term liabilities	-	365	9	374
Total liabilities	<u>524</u>	<u>584</u>	<u>665</u>	<u>1,773</u>
Net assets:				
Invested in capital assets, net of related debt	305	290	2,437	3,032
Unrestricted net assets	6,051	(263)	2,622	8,410
Total net assets	<u>\$ 6,356</u>	<u>\$ 27</u>	<u>\$ 5,059</u>	<u>\$ 11,442</u>

Condensed Statement of Activities (Amounts in 000's)				
	ARC Industries	Veterans Memorial Hall	Stadium and Team	Total
Expenses:				
	\$ 6,579	\$ 2,416	\$ 4,168	\$ 13,163
Program revenues:				
Charges for services	6,646	1,896	3,623	12,165
Operating grants and contributions	-	291	-	291
	<u>6,646</u>	<u>2,187</u>	<u>3,623</u>	<u>12,456</u>
Net program revenue (expense)				
	67	(229)	(545)	(707)
Other general revenues	134	3	446	583
Change in net assets	201	(226)	(99)	(124)
Net assets – beginning (restated)	6,155	253	5,158	11,566
Net assets – ending	<u>\$ 6,356</u>	<u>\$ 27</u>	<u>\$ 5,059</u>	<u>\$ 11,442</u>

FRANKLIN COUNTY, OHIO
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Note 20 – Joint Ventures

Franklin Park Conservatory Joint Recreation District

As stated in note 1, the Franklin Park Conservatory Joint Recreation District (the Conservatory District) is a joint venture of the County and the City of Columbus (the City). The arrangement with the Conservatory District possesses all the characteristics pertaining to joint venture classification:

- The Conservatory District resulted from a contractual arrangement (County Resolution 79-90 and City Resolution 109X-90 pursuant to ORC Section 755.14(B));
- It functions as a separate and specific activity from the County and the City;
- It is governed by the County and the City, with neither entity in a position to unilaterally control its financial or operating policies; and
- There is an ongoing financial responsibility on the part of the County and the City, whereby both the County and the City provide annual operating subsidies.

Summary financial data for the Conservatory District for the year ended December 31, 2004, follows:

(Amounts in 000's)	
Assets:	
Cash and investments	\$ 1,033
Other current assets	393
Capital assets, net of accumulated depreciation	4,912
Other noncurrent assets	245
Total assets	6,583
Liabilities:	
Current liabilities	1,323
Noncurrent liabilities	81
Total liabilities	1,404
Net assets:	
Investment in capital assets, net of related debt	4,912
Restricted net assets	1,049
Unrestricted net assets	(782)
Total net assets	\$ 5,179
Total revenues (including County support of \$415,000)	\$ 5,061
Total expenses	(4,892)
Income before depreciation	169
Depreciation expense	(327)
Capital contributions	84
Decrease in net assets	\$ (74)

The Conservatory District's restricted net assets at December 31, 2004, are comprised of an expendable endowment of \$888,219 and an investment of \$160,798 at the Columbus Foundation. The Conservatory District has the right to suggest to the Foundation how these moneys are to be expended. Complete financial statements can be obtained from Franklin Park Conservatory Joint Recreation District, 1777 East Broad Street, Columbus, Ohio 43203.

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Columbus/Franklin County Affordable Housing Trust Corporation (AHT)

In *Audits of State and Local Governmental Units, with Conforming Changes as of May 1, 2001*, both the Financial Accounting Standards Board and the Governmental Accounting Standards Board recognize an organization to be governmental if it has one or more of the following characteristics:

- *"Popular election of officers or appointment (or approval) of a controlling majority of the members of the organization's governing body by officials of one or more state or local governments."* All members of AHT's board are jointly appointed by the County Commissioners and the Mayor.
- *"The potential for unilateral dissolution by a government with the net assets reverting to the government."* In the event of AHT's termination, the contract between the County and AHT calls for assets received from the County or acquired through the use of County funds to revert to the County.
- *"The power to enact and enforce a tax levy."* AHT does not have taxing authority.

AHT has two of the characteristics, and is considered a joint venture of the County and the City. Financial statements may be obtained from AHT at 1260 East Broad Street, Columbus, Ohio 43205.

Summary financial data for AHT for the year ended December 31, 2004, follows:

(Amounts in 000's)	
Assets:	
Cash and cash equivalents	\$ 4,836
Other current assets, restricted	79
Capital assets, net of accumulated depreciation	12
Noncurrent assets other than capital	4,516
Total assets	9,443
Liabilities:	
Current liabilities	66
Noncurrent liabilities	11
Total liabilities	77
Net assets:	
Investment in capital assets, net of related debt	12
Restricted net assets	8,624
Unrestricted net assets	730
Total net assets	\$ 9,366
Total revenues (including County support of \$1,000,000)	\$ 2,234
Total expenses	(750)
Increase in net assets	\$ 1,484

Columbus Regional Airport Authority (CRAA)

On December 12, 2002, the County, the City and the Columbus Municipal Airport Authority (CMAA) entered into the Port Authority Consolidations and Joinder Agreement (Agreement) with an effective date of January 1, 2003. The Agreement united the operations of CMAA, created by the City in 1990, and Rickenbacker Port Authority (RPA), created by the County in 1979 and dissolved by the Commissioners via this action. The new entity is named The Columbus Regional Airport Authority (CRAA). CRAA's governing board consists of nine directors: four members appointed by the Commissioners; four appointed by the Mayor; and one member jointly appointed. The Agreement provided for the ultimate transfer of all rights, title and interests in all of RPA's assets and liabilities to CRAA. Through the Agreement, the County assumed certain RPA debt

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that will be serviced with CRAA revenues. In addition, the County agreed to contribute approximately \$4.34 million per year for ten years to facilitate the consolidated operations.

CRAA is a joint venture of the County and the City. Complete financial statements can be obtained from the Columbus Regional Airport Authority, 4800 International Gateway, Columbus, Ohio 43219.

Summary financial data for CRAA for the year ended December 31, 2004, follows:

(Amounts in 000's)	
Assets:	
Cash and cash equivalents, unrestricted	\$ 13,722
Other current assets, unrestricted	7,255
Cash and cash equivalents, restricted	62,140
Other investments, restricted	17,555
Other current assets, restricted	3,539
Capital assets, net of accumulated depreciation	437,206
Noncurrent investments, unrestricted	23,389
Noncurrent assets other than capital	6,856
Noncurrent investments, restricted	11,237
Total assets	582,899
Liabilities:	
Current liabilities payable from unrestricted assets	15,129
Current liabilities payable from restricted assets	14,257
Noncurrent liabilities	126,195
Total liabilities	155,581
Net assets:	
Investment in capital assets, net of related debt	309,121
Restricted net assets	89,378
Unrestricted net assets	28,819
Total net assets	\$ 427,318
Total revenues and capital contributions	
(including County support of \$4,338,300)	\$ 102,174
Total expenses	(68,818)
Increase in net assets	33,356
Net assets – beginning	393,962
Net assets – ending	\$ 427,318

Note 21 – Related Organizations and Other Agreements

Housing of City Prisoners Under the terms of an agreement between the County and the City, the County provides housing and medical treatment to persons incarcerated under City ordinances. For this service, the City has agreed to pay its proportionate share of the jail's costs. An independent accounting firm conducts a cost study to determine the City's share. During 2004, the General Fund realized revenue of \$9,659,000 under this agreement.

Central Ohio Workforce Investment Corporation The Franklin County Department of Job and Family Services (FCDJFS) purchased workforce development services from the Central Ohio Workforce Investment Corporation (COWIC) established pursuant to the Workforce Investment Act of 1998. A board of directors separate from FCDJFS heads the COWIC.

FRANKLIN COUNTY, OHIO
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For the Year Ended December 31, 2004

Columbus Metropolitan Library The Commissioners are responsible for a majority of the board appointments for the Columbus Metropolitan Library. The County has no further accountability or oversight for the library's operation.

Columbus Metropolitan Housing Authority The County and the City jointly formed the Columbus Metropolitan Housing Authority (CMHA). CMHA is a separate body from the City and the County, with no oversight or accountability by the County for CMHA's management or operations.

Columbus and Franklin County Metropolitan Park District The Columbus and Franklin County Metropolitan Park District (Metro Parks) was organized under ORC Chapter 1545. Metro Parks is a separate political subdivision and is governed by a three-member Board of Park Commissioners, appointed in a non-authoritative manner by the Franklin County Probate Judge. The Board of Park Commissioners adopts the annual budget. Metro Parks' operations are autonomous.

Franklin County Family and Children First Council The operation of the Franklin County Family and Children First Council is controlled by an oversight committee. The chair of the County Commissioners serves on the committee. The ADAMH Board and the Franklin County Department of Job and Family Services are the administrative agents, and the Franklin County Auditor is the fiscal agent.

Franklin County Convention Facilities Authority The Commissioners appoint a majority of the board members of the Franklin County Convention Facilities Authority (CFA) but have no further accountability for it. The CFA is a separate and distinct legal entity. Neither the County nor the City is responsible for the operation of CFA or of the Greater Columbus Convention Center (Convention Center).

The CFA issued lease revenue bonds in 1990 to finance the construction of the Convention Center. A second bond issue was completed in 1998, through which tax and lease revenue anticipation bonds were used to advance refund a portion of the outstanding 1990 bonds and to fund an expansion of the facility. The total amount of these revenue bonds outstanding at December 31, 2004, was \$150.9 million net of premiums and discounts of \$6.9 million, or a gross amount of \$157.8 million.

The bond issues and the facility were made possible through a lease/sub-lease agreement whereby the County and the City lease the facility from CFA and concurrently sub-lease it back to CFA. The lease rent charged by CFA equals the annual debt service amount. The sub-lease rent charged by the County and the City also equals the annual debt service amount, and is expected to be paid from hotel/motel tax revenues. The County, at its discretion and without incurring any penalty or further liability, may cancel the lease by not appropriating funds for the lease payment. The terms of the agreement provide many alternative plans for payment of the debt service in the event that the hotel/motel tax revenues prove insufficient. The County considers it highly unlikely that it will ever be faced with meeting CFA's debt service. The Convention Center Lease special revenue fund records the lease and sub-lease payments made and received by the County.

New Albany Community Authority District Board of Trustees The Commissioners are responsible for a majority of the board appointments for the New Albany Community Authority District Board of Trustees. The County has no further accountability for this organization.

Note 22 – Subsequent Event

On January 25, 2005, the Board of Commissioners approved the purchase of land designated for a county building/park for \$10,900,000.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

NONMAJOR SPECIAL REVENUE FUNDS

The special revenue funds are used to account for proceeds of specific revenue sources (other than enterprise or major capital projects) that are legally restricted to expenditure for specified purposes. A description of the nonmajor special revenue funds follows:

Motor Vehicle and Gasoline Tax – This fund accounts for revenue derived from taxes on motor vehicle licenses and gasoline. Expenditures are restricted by state law to road and bridge maintenance and construction.

Senior Services – This fund accounts for the property tax and grants spent on behalf of senior citizens.

Child Support Enforcement – This fund accounts for the administration of the collection and distribution of voluntary and court-ordered child support payments. This administrative fund derives its revenues from state and county reimbursements for allowable expenditures, from a two percent poundage fee on all support moneys collected and from incentive money from the state based upon total collections. Please note that the actual child support payments collected and distributed are not accounted for in this fund.

Zoological Park – This fund accounts for the property tax revenue collected and granted to the Columbus Zoo.

Additional special revenue funds are listed below:

- Real Estate Assessment
- Convention Center Lease
- Community and Economic Development
- Community Based Correctional Facility (C.B.C.F.) Operations
- Certificate of Title Administration
- Homeland Security and Justice Programs
- Dog and Kennel
- Domestic and Juvenile Court Grants
- Emergency Management Agency
- Adult Probation and Community Corrections
- Other Special Revenue Funds

NONMAJOR DEBT SERVICE FUND

The Debt Service fund is used to account for the accumulation of governmental resources and payment of general obligation debt principal and interest.

NONMAJOR CAPITAL PROJECTS FUND

The Capital Projects fund is used to account for financial resources used for the acquisition, construction or renovation of facilities (other than those financed by the proprietary funds).

FRANKLIN COUNTY, OHIO

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2004
 (Amounts in the 000's)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total
Assets:				
Equity with County Treasurer	\$ 64,567	\$ 651	\$ 4,786	\$ 70,004
Cash and investments in segregated accounts	1,321	-	-	1,321
Accounts receivable	736	-	-	736
Accrued interest receivable	5	-	-	5
Due from other governments	22,024	-	-	22,024
Due from other funds	354	-	-	354
Property taxes receivable, net	31,029	-	-	31,029
Loans receivable, net	3,945	-	-	3,945
Notes receivable	-	16,895	-	16,895
Leases receivable	-	4,285	-	4,285
Inventories	1,249	-	-	1,249
Total assets	\$ 125,230	\$ 21,831	\$ 4,786	\$ 151,847
Liabilities and Fund Balances:				
Liabilities:				
Accrued wages	\$ 2,521	\$ -	\$ -	\$ 2,521
Accounts payable	4,419	-	-	4,419
Matured bonds and interest payable	-	622	-	622
Due to other funds	2,026	-	-	2,026
Deferred revenue	15,758	4,285	-	20,043
Unearned revenue	36,141	-	-	36,141
Advances from other funds	465	-	-	465
Total liabilities	61,330	4,907	-	66,237
Fund balances:				
Reserved for notes receivable	-	16,895	-	16,895
Reserved for inventories	1,249	-	-	1,249
Unreserved, reported in:				
Special revenue funds	62,651	-	-	62,651
Debt service fund	-	29	-	29
Capital projects fund	-	-	4,786	4,786
Total fund balances	63,900	16,924	4,786	85,610
Total liabilities and fund balances	\$ 125,230	\$ 21,831	\$ 4,786	\$ 151,847

FRANKLIN COUNTY, OHIO

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2004
 (Amounts in the 000's)

	Motor Vehicle and Gasoline Tax	Senior Services	Child Support Enforcement	Zoological Park
Assets:				
Equity with County Treasurer	\$ 2,263	\$ 10,274	\$ 695	\$ 759
Cash and investments in segregated accounts	-	-	-	-
Accounts receivable	4	214	-	-
Accrued interest receivable	-	-	-	-
Due from other governments	15,080	1,106	642	764
Due from other funds	-	106	-	-
Property taxes receivable, net	-	17,823	-	13,206
Loans receivable, net	-	-	-	-
Inventories	1,123	1	14	-
Total assets	\$ 18,470	\$ 29,524	\$ 1,351	\$ 14,729
Liabilities:				
Accrued wages	\$ 599	\$ 206	\$ 607	\$ -
Accounts payable	1,163	1,014	29	64
Due to other funds	226	107	715	-
Deferred revenue	10,485	2,016	-	1,496
Unearned revenue	-	17,821	-	13,169
Advances from other funds	-	-	-	-
Total liabilities	12,473	21,164	1,351	14,729
Fund balances:				
Reserved for inventories	1,123	1	14	-
Unreserved	4,874	8,359	(14)	-
Total fund balances	5,997	8,360	-	-
Total liabilities and fund balances	\$ 18,470	\$ 29,524	\$ 1,351	\$ 14,729

(Continued on next page)

FRANKLIN COUNTY, OHIO

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2004
 (Amounts in the 000's)

	<u>Real Estate Assessment</u>	<u>Convention Center Lease</u>	<u>Community and Economic Development</u>	<u>C.B.C.F. Operations</u>
Assets:				
Equity with County Treasurer	\$ 12,784	\$ -	\$ 53	\$ 1,044
Cash and investments in segregated accounts	-	-	-	-
Accounts receivable	-	-	-	-
Accrued interest receivable	-	-	-	-
Due from other governments	-	-	662	2,622
Due from other funds	-	-	-	-
Property taxes receivable, net	-	-	-	-
Loans receivable, net	-	-	3,945	-
Inventories	28	-	-	39
Total assets	\$ 12,812	\$ -	\$ 4,660	\$ 3,705
Liabilities:				
Accrued wages	\$ 244	\$ -	\$ 17	\$ 192
Accounts payable	90	-	662	57
Due to other funds	135	-	8	122
Deferred revenue	-	-	-	1,311
Unearned revenue	-	-	3,945	313
Advances from other funds	-	-	-	-
Total liabilities	469	-	4,632	1,995
Fund balances:				
Reserved for inventories	28	-	-	39
Unreserved	12,315	-	28	1,671
Total fund balances	12,343	-	28	1,710
Total liabilities and fund balances	\$ 12,812	\$ -	\$ 4,660	\$ 3,705

(Continued on next page)

FRANKLIN COUNTY, OHIO

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2004
 (Amounts in the 000's)

	Certificate of Title Administration	Homeland Security and Justice Programs	Dog and Kennel	Domestic and Juvenile Court Grants
Assets:				
Equity with County Treasurer	\$ 3,772	\$ 891	\$ 431	\$ 8,609
Cash and investments in segregated accounts	4	-	-	-
Accounts receivable	350	-	5	-
Accrued interest receivable	-	-	-	-
Due from other governments	-	43	-	886
Due from other funds	-	-	-	3
Property taxes receivable, net	-	-	-	-
Loans receivable, net	-	-	-	-
Inventories	8	-	33	-
Total assets	\$ 4,134	\$ 934	\$ 469	\$ 9,498
Liabilities:				
Accrued wages	\$ 175	\$ 20	\$ 102	\$ 96
Accounts payable	22	451	89	92
Due to other funds	111	257	74	55
Deferred revenue	-	-	-	443
Unearned revenue	-	188	-	705
Advances from other funds	-	-	-	58
Total liabilities	308	916	265	1,449
Fund balances:				
Reserved for inventories	8	-	33	-
Unreserved	3,818	18	171	8,049
Total fund balances	3,826	18	204	8,049
Total liabilities and fund balances	\$ 4,134	\$ 934	\$ 469	\$ 9,498

(Continued on next page)

FRANKLIN COUNTY, OHIO

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2004
 (Amounts in the 000's)

	Emergency Management Agency	Adult Probation and Community Corrections	Other Special Revenue	Total
Assets:				
Equity with County Treasurer	\$ 657	\$ 870	\$ 21,465	\$ 64,567
Cash and investments in segregated accounts	-	-	1,317	1,321
Accounts receivable	-	10	153	736
Accrued interest receivable	-	-	5	5
Due from other governments	219	-	-	22,024
Due from other funds	-	-	245	354
Property taxes receivable, net	-	-	-	31,029
Loans receivable, net	-	-	-	3,945
Inventories	-	-	3	1,249
Total assets	\$ 876	\$ 880	\$ 23,188	\$ 125,230
Liabilities:				
Accrued wages	\$ 33	\$ 64	\$ 166	\$ 2,521
Accounts payable	225	1	460	4,419
Due to other funds	35	24	157	2,026
Deferred revenue	-	-	7	15,758
Unearned revenue	-	-	-	36,141
Advances from other funds	-	-	407	465
Total liabilities	293	89	1,197	61,330
Fund balances:				
Reserved for inventories	-	-	3	1,249
Unreserved	583	791	21,988	62,651
Total fund balances	583	791	21,991	63,900
Total liabilities and fund balances	\$ 876	\$ 880	\$ 23,188	\$ 125,230

FRANKLIN COUNTY, OHIO

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2004
 (Amounts in 000's)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total
Revenues:				
Real and other taxes	\$ 30,244	\$ -	\$ -	\$ 30,244
Licenses and permits	753	-	-	753
Fees and charges for services	19,733	-	-	19,733
Fines and forfeitures	1,605	-	-	1,605
Intergovernmental	74,973	-	-	74,973
Investment income	158	-	-	158
Other	10,573	2,348	-	12,921
Total revenues	138,039	2,348	-	140,387
Expenditures:				
Current:				
General government	27,154	-	-	27,154
Judicial	2,483	-	-	2,483
Public safety	20,150	-	-	20,150
Human services	38,739	-	-	38,739
Public works	37,010	-	-	37,010
Conservation and recreation	14,218	-	-	14,218
Community development	5,532	-	-	5,532
Capital outlays	-	-	199	199
Debt service:				
Principal retirement	854	7,685	-	8,539
Interest charges	3	6,734	-	6,737
Intergovernmental grants	2,336	-	-	2,336
Total expenditures	148,479	14,419	199	163,097
Excess (deficiency) of revenues over (under) expenditures	(10,440)	(12,071)	(199)	(22,710)
Other financing sources (uses):				
Transfers in	7,676	10,460	-	18,136
Transfers out	(1,224)	-	(37)	(1,261)
Sale of capital assets	17	-	-	17
Total other financing sources (uses)	6,469	10,460	(37)	16,892
Net change in fund balances	(3,971)	(1,611)	(236)	(5,818)
Fund balances - beginning (restated)	67,871	18,535	5,022	91,428
Fund balances - ending	\$ 63,900	\$ 16,924	\$ 4,786	\$ 85,610

FRANKLIN COUNTY, OHIO

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2004

(Amounts in 000's)

	Motor Vehicle and Gasoline Tax	Senior Services	Child Support Enforcement	Zoological Park
Revenues:				
Real and other taxes	\$ -	\$ 17,385	\$ -	\$ 12,859
Licenses and permits	16	-	-	-
Fees and charges for services	77	723	3,166	-
Fines and forfeitures	564	-	-	-
Intergovernmental	37,270	2,654	12,650	1,586
Investment income	83	-	-	-
Other	2,142	133	532	-
Total revenues	40,152	20,895	16,348	14,445
Expenditures:				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Human services	-	20,886	16,409	-
Public works	36,883	-	-	-
Conservation and recreation	-	-	-	14,218
Community development	-	-	-	-
Debt service:				
Principal retirement	823	-	-	-
Interest charges	-	-	-	-
Intergovernmental grants	-	90	-	-
Total expenditures	37,706	20,976	16,409	14,218
Excess (deficiency) of revenues over (under) expenditures	2,446	(81)	(61)	227
Other financing sources (uses):				
Transfers in	-	1,074	-	-
Transfers out	(30)	-	-	(227)
Sale of capital assets	9	-	-	-
Total other financing sources (uses)	(21)	1,074	-	(227)
Net change in fund balances	2,425	993	(61)	-
Fund balances - beginning (restated)	3,572	7,367	61	-
Fund balances - ending	\$ 5,997	\$ 8,360	\$ -	\$ -

(Continued on next page)

FRANKLIN COUNTY, OHIO

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2004

(Amounts in 000's)

	Real Estate Assessment	Convention Center Lease	Community and Economic Development	C.B.C.F. Operations
Revenues:				
Real and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fees and charges for services	1,731	-	347	-
Fines and forfeitures	-	-	-	-
Intergovernmental	-	-	3,176	5,220
Investment income	-	-	-	-
Other	115	6,806	-	-
Total revenues	1,846	6,806	3,523	5,220
Expenditures:				
Current:				
General government	11,911	6,806	-	-
Judicial	-	-	-	-
Public safety	-	-	-	5,177
Human services	-	-	-	-
Public works	-	-	-	-
Conservation and recreation	-	-	-	-
Community development	-	-	5,487	-
Debt service:				
Principal retirement	-	-	-	-
Interest charges	-	-	-	-
Intergovernmental grants	-	-	1,140	-
Total expenditures	11,911	6,806	6,627	5,177
Excess (deficiency) of revenues over (under) expenditures	(10,065)	-	(3,104)	43
Other financing sources (uses):				
Transfers in	-	-	3,037	-
Transfers out	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	3,037	-
Net change in fund balances	(10,065)	-	(67)	43
Fund balances - beginning (restated)	22,408	-	95	1,667
Fund balances - ending	\$ 12,343	\$ -	\$ 28	\$ 1,710

(Continued on next page)

FRANKLIN COUNTY, OHIO

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2004

(Amounts in 000's)

	Certificate of Title Administration	Homeland Security and Justice Programs	Dog and Kennel	Domestic and Juvenile Court Grants
Revenues:				
Real and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	670	-
Fees and charges for services	4,632	-	240	3
Fines and forfeitures	-	-	210	-
Intergovernmental	-	4,329	-	4,101
Investment income	-	12	-	-
Other	2	21	23	-
Total revenues	4,634	4,362	1,143	4,104
Expenditures:				
Current:				
General government	4,446	-	-	-
Judicial	-	-	-	74
Public safety	-	2,736	3,384	1,898
Human services	-	-	-	594
Public works	-	-	-	-
Conservation and recreation	-	-	-	-
Community development	-	-	-	-
Debt service:				
Principal retirement	14	-	2	-
Interest charges	1	-	1	-
Intergovernmental grants	-	808	-	-
Total expenditures	4,461	3,544	3,387	2,566
Excess (deficiency) of revenues over (under) expenditures	173	818	(2,244)	1,538
Other financing sources (uses):				
Transfers in	-	143	2,440	-
Transfers out	-	(950)	-	-
Sale of capital assets	-	-	8	-
Total other financing sources (uses)	-	(807)	2,448	-
Net change in fund balances	173	11	204	1,538
Fund balances - beginning (restated)	3,653	7	-	6,511
Fund balances - ending	\$ 3,826	\$ 18	\$ 204	\$ 8,049

(Continued on next page)

FRANKLIN COUNTY, OHIO

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

Nonmajor Special Revenue Funds

Year Ended December 31, 2004

(Amounts in 000's)

	Emergency Management Agency	Adult Probation and Community Corrections	Other Special Revenue	Total
Revenues:				
Real and other taxes	\$ -	\$ -	\$ -	\$ 30,244
Licenses and permits	-	-	67	753
Fees and charges for services	511	121	8,182	19,733
Fines and forfeitures	-	-	831	1,605
Intergovernmental	1,762	1,444	781	74,973
Investment income	-	-	63	158
Other	25	51	723	10,573
Total revenues	2,298	1,616	10,647	138,039
Expenditures:				
Current:				
General government	-	-	3,991	27,154
Judicial	-	-	2,409	2,483
Public safety	2,285	1,388	3,282	20,150
Human services	-	-	850	38,739
Public works	-	-	127	37,010
Conservation and recreation	-	-	-	14,218
Community development	-	-	45	5,532
Debt service:				
Principal retirement	-	15	-	854
Interest charges	-	1	-	3
Intergovernmental grants	-	-	298	2,336
Total expenditures	2,285	1,404	11,002	148,479
Excess (deficiency) of revenues over (under) expenditures	13	212	(355)	(10,440)
Other financing sources (uses):				
Transfers in	-	-	982	7,676
Transfers out	-	-	(17)	(1,224)
Sale of capital assets	-	-	-	17
Total other financing sources (uses)	-	-	965	6,469
Net change in fund balances	13	212	610	(3,971)
Fund balances - beginning (restated)	570	579	21,381	67,871
Fund balances - ending	\$ 583	\$ 791	\$ 21,991	\$ 63,900

INTERNAL SERVICE FUNDS

The internal service funds report activities provided to the departments and agencies on a cost-reimbursement basis. The County has two internal service funds:

Employee Benefits – This fund accounts for the provision of medical, dental, optical, prescription, life and mental health insurance to departments and agencies.

Telecommunications – This fund accounts for the provision of telecommunication services, primarily voicemail.

FRANKLIN COUNTY, OHIO

Combining Statement of Net Assets

Internal Service Funds

December 31, 2004

(Amounts in 000's)

	<u>Employee Benefits</u>	<u>Telecom- munications</u>	<u>Total</u>
Assets:			
Current assets:			
Equity with County Treasurer	\$ 808	\$ 192	\$ 1,000
Accounts receivable, net	646	-	646
Due from other funds	6,465	16	6,481
Prepaid items	265	-	265
Total current assets	<u>8,184</u>	<u>208</u>	<u>8,392</u>
Noncurrent assets:			
Capital assets, net of accumulated depreciation:			
Depreciable	-	163	163
Total noncurrent assets	<u>-</u>	<u>163</u>	<u>163</u>
Total assets	<u>8,184</u>	<u>371</u>	<u>8,555</u>
Liabilities:			
Current liabilities:			
Accounts payable	4,952	6	4,958
Total liabilities	<u>4,952</u>	<u>6</u>	<u>4,958</u>
Net assets:			
Invested in capital assets, net of related debt	-	163	163
Unrestricted	3,232	202	3,434
Total net assets	<u>\$ 3,232</u>	<u>\$ 365</u>	<u>\$ 3,597</u>

FRANKLIN COUNTY, OHIO

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

Internal Service Funds

Year Ended December 31, 2004

(Amounts in 000's)

	<u>Employee Benefits</u>	<u>Telecom- munications</u>	<u>Total</u>
Operating revenues:			
Fees and charges for services	\$ 41,749	\$ 122	\$ 41,871
Other	196	-	196
Total operating revenues	<u>41,945</u>	<u>122</u>	<u>42,067</u>
Operating expenses:			
Cost of sales and services	40,962	61	41,023
Depreciation	-	15	15
Total operating expenses	<u>40,962</u>	<u>76</u>	<u>41,038</u>
Operating income (loss)	<u>983</u>	<u>46</u>	<u>1,029</u>
Total nonoperating revenues (expenses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets	983	46	1,029
Net assets - beginning (restated)	2,249	319	2,568
Net assets - ending	<u>\$ 3,232</u>	<u>\$ 365</u>	<u>\$ 3,597</u>

FRANKLIN COUNTY, OHIO

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2004

(Amounts in 000's)

	<u>Employee Benefits</u>	<u>Telecom- munications</u>	<u>Total</u>
Cash flows from operating activities:			
Cash collections from customers	\$ 46,188	\$ 181	\$ 46,369
Cash payments to suppliers	(45,796)	(61)	(45,857)
Net cash provided by operating activities	<u>392</u>	<u>120</u>	<u>512</u>
Cash flows from capital and related financing activities:			
Repayment of advance from other fund for capital purposes	-	(48)	(48)
Net cash used in capital and related financing activities	<u>-</u>	<u>(48)</u>	<u>(48)</u>
Increase in cash for the year	392	72	464
Cash and cash equivalents - beginning (restated)	416	120	536
Cash and cash equivalents - ending	<u>\$ 808</u>	<u>\$ 192</u>	<u>\$ 1,000</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 983	\$ 46	\$ 1,029
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	-	15	15
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	245	-	245
Due from other funds	2,680	59	2,739
Prepaid items	1,100	-	1,100
Increase in:			
Accounts payable and other accrued liabilities	(4,569)	-	(4,569)
Due to other funds	(47)	-	(47)
Net cash provided by operating activities	<u>\$ 392</u>	<u>\$ 120</u>	<u>\$ 512</u>

FIDUCIARY FUNDS

AGENCY FUNDS

Agency funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, or other funds. A description of the agency funds follows:

Undivided Taxes – This fund includes the collection and distribution all real estate, property, motor vehicle, and estate taxes collected.

Payroll and Benefit Revolving - This fund accounts for the collection and distribution of the employer and employee shares of all payroll taxes and other withholdings.

Other Agency Funds - This fund accounts for the collection and distribution of local government taxes levied and collected by the State of Ohio. Also included is the collection and distribution of moneys held by County agencies in outside bank accounts, moneys held outside of the County treasury by the courts, and all funds that are not part of the County's reporting entity, but for whom the County serves as fiscal agent.

FRANKLIN COUNTY, OHIO

Combining Statement of Changes in

Fiduciary Assets and Liabilities

Agency Funds

Year Ended December 31, 2004

(Amounts in 000's)

	<u>Beginning Balance 01/01/04</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance 12/31/04</u>
UNDIVIDED TAXES				
Assets:				
Equity with County Treasurer	\$ 91,449	\$ 1,714,956	\$ 1,678,297	\$ 128,108
Cash and investments in segregated accounts	4,201	26,653	25,507	5,347
Property taxes receivable, net	<u>1,108,377</u>	<u>1,222,967</u>	<u>1,108,377</u>	<u>1,222,967</u>
Liabilities:				
Undistributed assets	\$ 1,204,000	\$ 2,924,659	\$ 2,772,294	\$ 1,356,365
Deposits held and due to others	<u>27</u>	<u>39,917</u>	<u>39,887</u>	<u>57</u>
PAYROLL AND BENEFIT REVOLVING FUND				
Assets:				
Equity with County Treasurer	\$ 18,038	\$ 297,021	\$ 305,166	\$ 9,893
Liabilities:				
Deposits held and due to others	\$ 18,038	\$ 297,021	\$ 305,166	\$ 9,893
OTHER AGENCY FUNDS				
Assets:				
Equity with County Treasurer	\$ 13,630	\$ 55,534	\$ 57,186	\$ 11,978
Cash and investments in segregated accounts	17,695	271,165	270,299	18,561
Due from other governments	<u>-</u>	<u>3,198</u>	<u>-</u>	<u>3,198</u>
Liabilities:				
Deposits held and due to others	\$ 31,325	\$ 329,897	\$ 327,485	\$ 33,737
TOTAL ALL AGENCY FUNDS				
Assets:				
Equity with County Treasurer	\$ 123,117	\$ 2,067,511	\$ 2,040,649	\$ 149,979
Cash and investments in segregated accounts	21,896	297,818	295,806	23,908
Due from other governments	-	3,198	-	3,198
Property taxes receivable, net	<u>1,108,377</u>	<u>1,222,967</u>	<u>1,108,377</u>	<u>1,222,967</u>
Total assets	<u>\$ 1,253,390</u>	<u>\$ 3,591,494</u>	<u>\$ 3,444,832</u>	<u>\$ 1,400,052</u>
Liabilities:				
Undistributed assets	\$ 1,204,000	\$ 2,924,659	\$ 2,772,294	\$ 1,356,365
Deposits held and due to others	<u>49,390</u>	<u>666,835</u>	<u>672,538</u>	<u>43,687</u>
Total liabilities	<u>\$ 1,253,390</u>	<u>\$ 3,591,494</u>	<u>\$ 3,444,832</u>	<u>\$ 1,400,052</u>

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

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Sales tax	\$ 80,847	\$ 80,847	\$ 85,190	\$ 4,343
Real and other taxes	38,130	38,130	39,510	1,380
Licenses and permits	556	556	781	225
Fees and charges for services	47,604	49,717	44,151	(5,566)
Fines and forfeitures	228	228	740	512
Intergovernmental	36,890	37,928	37,513	(415)
Investment income	12,051	12,051	13,007	956
Other	4,183	4,352	4,400	48
Total revenues	220,489	223,809	225,292	1,483
Expenditures:				
Current:				
General government				
Commissioners				
Personal services	7,494	3,604	1,748	1,856
Fringe benefits	2,013	1,978	1,632	346
Materials and services	3,491	3,491	2,672	819
Capital outlays	370	307	70	237
Total commissioners	<u>13,368</u>	<u>9,380</u>	<u>6,122</u>	<u>3,258</u>
Purchasing				
Personal services	544	538	523	15
Fringe benefits	214	220	212	8
Materials and services	1,639	1,672	1,657	15
Capital outlays	139	139	129	10
Total purchasing	<u>2,536</u>	<u>2,569</u>	<u>2,521</u>	<u>48</u>
Public facilities management				
Personal services	7,287	7,282	7,231	51
Fringe benefits	3,053	3,052	3,014	38
Materials and services	12,350	12,374	11,852	522
Capital outlays	124	410	363	47
Total public facilities management	<u>22,814</u>	<u>23,118</u>	<u>22,460</u>	<u>658</u>
Fleet management				
Personal services	299	310	309	1
Fringe benefits	112	115	114	1
Materials and services	704	836	835	1
Capital outlays	41	39	39	-
Total fleet management	<u>1,156</u>	<u>1,300</u>	<u>1,297</u>	<u>3</u>
Human resources				
Personal services	1,035	1,106	1,099	7
Fringe benefits	357	366	363	3
Materials and services	277	249	126	123
Capital outlays	14	27	25	2
Total human resources	<u>1,683</u>	<u>1,748</u>	<u>1,613</u>	<u>135</u>

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Auditor				
Personal services	\$ 1,400	\$ 1,400	\$ 1,288	\$ 112
Fringe benefits	503	503	450	53
Materials and services	1,679	1,159	918	241
Capital outlays	27	27	10	17
Total auditor	3,609	3,089	2,666	423
Data center				
Personal services	3,257	3,323	3,321	2
Fringe benefits	1,057	1,049	1,047	2
Materials and services	2,407	2,472	2,427	45
Capital outlays	502	436	326	110
Total data center	7,223	7,280	7,121	159
Recorder				
Personal services	1,953	1,995	1,986	9
Fringe benefits	805	805	805	-
Materials and services	274	274	231	43
Capital outlays	104	104	104	-
Total recorder	3,136	3,178	3,126	52
Treasurer				
Personal services	889	923	921	2
Fringe benefits	325	333	324	9
Materials and services	473	473	381	92
Capital outlays	283	283	282	1
Total treasurer	1,970	2,012	1,908	104
Board of elections				
Personal services	2,964	3,239	3,226	13
Fringe benefits	632	744	742	2
Materials and services	1,716	1,558	1,356	202
Grants	15	15	15	-
Capital outlays	-	354	124	230
Total board of elections	5,327	5,910	5,463	447
Commissioners - risk management				
Materials and services	200	200	66	134
Total general government	63,022	59,784	54,363	5,421
Judicial				
Prosecuting attorney				
Personal services	7,985	8,363	8,256	107
Fringe benefits	2,648	2,712	2,628	84
Materials and services	779	794	674	120
Capital outlays	6	6	6	-
Total prosecuting attorney	11,418	11,875	11,564	311

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Court of appeals				
Personal services	\$ 643	\$ 643	\$ 633	\$ 10
Fringe benefits	403	403	402	1
Materials and services	293	293	274	19
Total court of appeals	1,339	1,339	1,309	30
Common pleas court				
Personal services	8,346	8,475	8,389	86
Fringe benefits	3,101	3,157	3,094	63
Materials and services	6,557	6,631	6,031	600
Capital outlays	30	30	26	4
Total common pleas court	18,034	18,293	17,540	753
Domestic and juvenile court				
Personal services	13,429	13,799	13,733	66
Fringe benefits	5,035	5,046	5,032	14
Materials and services	7,475	7,474	6,523	951
Grants	15	15	15	-
Capital outlays	16	23	20	3
Total domestic and juvenile court	25,970	26,357	25,323	1,034
Probate court				
Personal services	1,687	1,758	1,752	6
Fringe benefits	649	656	656	-
Materials and services	257	257	115	142
Capital outlays	16	16	13	3
Total probate court	2,609	2,687	2,536	151
Clerk of courts				
Personal services	4,418	4,426	4,421	5
Fringe benefits	1,948	1,948	1,921	27
Materials and services	691	691	677	14
Capital outlays	43	43	19	24
Total clerk of courts	7,100	7,108	7,038	70
Municipal court				
Personal services	555	578	577	1
Fringe benefits	132	135	130	5
Materials and services	605	739	554	185
Total municipal court	1,292	1,452	1,261	191
Public defender				
Personal services	6,157	6,351	6,338	13
Fringe benefits	1,914	1,940	1,940	-
Materials and services	1,295	1,375	1,362	13
Total public defender	9,366	9,666	9,640	26
Total judicial	77,128	78,777	76,211	2,566

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public safety				
Coroner				
Personal services	\$ 1,574	\$ 1,548	\$ 1,547	\$ 1
Fringe benefits	488	488	461	27
Materials and services	565	655	647	8
Capital outlays	53	53	48	5
Total coroner	<u>2,680</u>	<u>2,744</u>	<u>2,703</u>	<u>41</u>
Sheriff				
Personal services	43,701	45,638	45,039	599
Fringe benefits	14,034	15,410	15,197	213
Materials and services	16,226	16,389	15,895	494
Capital outlays	928	1,275	1,136	139
Total sheriff	<u>74,889</u>	<u>78,712</u>	<u>77,267</u>	<u>1,445</u>
Sheriff - rotary				
Personal services	2,050	2,050	1,709	341
Fringe benefits	701	701	556	145
Materials and services	150	150	85	65
Total sheriff - rotary	<u>2,901</u>	<u>2,901</u>	<u>2,350</u>	<u>551</u>
Total public safety	<u>80,470</u>	<u>84,357</u>	<u>82,320</u>	<u>2,037</u>
Human services				
Veterans' service commission				
Personal services	585	594	593	1
Fringe benefits	240	243	239	4
Materials and services	900	1,040	796	244
Grants	1,986	1,849	1,276	573
Total human services	<u>3,711</u>	<u>3,726</u>	<u>2,904</u>	<u>822</u>
Public works				
Engineer				
Personal services	325	325	297	28
Fringe benefits	119	119	102	17
Materials and services	5	5	1	4
Total public works	<u>449</u>	<u>449</u>	<u>400</u>	<u>49</u>
Community development				
Development				
Personal services	595	608	597	11
Fringe benefits	208	208	201	7
Materials and services	213	223	188	35
Capital outlays	22	12	1	11
Total community development	<u>1,038</u>	<u>1,051</u>	<u>987</u>	<u>64</u>

(Continued on next page)

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
General Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

(Continued)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other				
Commissioners				
Grants	\$ 9,019	\$ 4,047	\$ 2,141	\$ 1,906
Contingencies	7,152	4,877	-	4,877
Total other	16,171	8,924	2,141	6,783
Capital outlays:				
Public facilities management - permanent improvement projects				
Capital outlays	5,227	5,546	3,717	1,829
Total capital outlays	5,227	5,546	3,717	1,829
Debt service:				
Commissioners				
Debt service	20,108	19,929	74	19,855
Total debt service	20,108	19,929	74	19,855
Intergovernmental grants:				
Commissioners				
Intergovernmental grants	-	5,417	5,417	-
Total intergovernmental grants	-	5,417	5,417	-
Total expenditures	267,324	267,960	228,534	39,426
Excess (deficiency) of revenues over (under) expenditures	(46,835)	(44,151)	(3,242)	40,909
Other financing sources (uses):				
Transfers in	5,790	6,053	1,215	(4,838)
Transfers out	(22,053)	(33,729)	(24,883)	8,846
Proceeds from sale of capital assets	110	110	71	(39)
Total other financing sources (uses)	(16,153)	(27,566)	(23,597)	3,969
Net change in fund balance	(62,988)	(71,717)	(26,839)	44,878
Fund balance - beginning	113,087	113,087	113,087	-
Fund balance - ending	\$ 50,099	\$ 41,370	\$ 86,248	\$ 44,878

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Board of MR&DD Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real and other taxes	\$ 133,322	\$ 133,322	\$ 131,292	\$ (2,030)
Fees and charges for services	200	200	725	525
Intergovernmental	33,361	33,361	44,208	10,847
Other	230	230	741	511
Total revenues	167,113	167,113	176,966	9,853
Expenditures:				
Current:				
Health				
MR & DD				
Personal services	61,352	61,352	49,876	11,476
Fringe benefits	27,126	27,126	23,657	3,469
Materials and services	74,403	74,403	71,981	2,422
Capital outlays	3,622	3,622	3,393	229
Contingencies	134,123	134,123	15,715	118,408
Total expenditures	300,626	300,626	164,622	136,004
Excess (deficiency) of revenues over (under) expenditures	(133,513)	(133,513)	12,344	145,857
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	62	62
Total other financing sources (uses)	-	-	62	62
Net change in fund balance	(133,513)	(133,513)	12,406	145,919
Fund balance - beginning	142,751	142,751	142,751	-
Fund balance - ending	\$ 9,238	\$ 9,238	\$ 155,157	\$ 145,919

FRANKLIN COUNTY, OHIO

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Children Services Board Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Real and other taxes	\$ 79,337	\$ 79,337	\$ 76,679	\$ (2,658)
Fees and charges for services	2,851	2,851	2,154	(697)
Intergovernmental	70,055	70,055	66,542	(3,513)
Other	170	170	267	97
<i>Total revenues</i>	152,413	152,413	145,642	(6,771)
Expenditures:				
Current:				
Human services				
Children services				
Personal services	28,976	28,976	28,418	558
Fringe benefits	13,277	13,277	12,896	381
Materials and services	123,898	123,898	116,225	7,673
Capital outlays	458	458	225	233
<i>Total expenditures</i>	166,609	166,609	157,764	8,845
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(14,196)	(14,196)	(12,122)	2,074
Other financing sources (uses):				
Proceeds from sale of capital assets	4	4	-	(4)
<i>Total other financing sources (uses)</i>	4	4	-	(4)
<i>Net change in fund balance</i>	(14,192)	(14,192)	(12,122)	2,070
Fund balance - beginning	30,620	30,620	30,620	-
Fund balance - ending	\$ 16,428	\$ 16,428	\$ 18,498	\$ 2,070

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
ADAMH Board Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Real and other taxes	\$ 37,887	\$ 37,887	\$ 37,844	\$ (43)
Intergovernmental	75,123	75,323	77,685	2,362
Other	292	292	586	294
<i>Total revenues</i>	113,302	113,502	116,115	2,613
Expenditures:				
Current:				
Health				
ADAMH Board				
Personal services	3,395	3,395	3,256	139
Fringe benefits	1,241	1,241	1,197	44
Materials and services	111,801	119,007	111,843	7,164
Capital outlays	163	163	144	19
<i>Total expenditures</i>	116,600	123,806	116,440	7,366
<i>Excess (deficiency) of revenues over (under) expenditures</i>	(3,298)	(10,304)	(325)	9,979
Other financing sources (uses):				
Transfers in	-	-	11	11
Transfers out	(631)	(631)	(513)	118
<i>Total other financing sources (uses)</i>	(631)	(631)	(502)	129
<i>Net change in fund balance</i>	(3,929)	(10,935)	(827)	10,108
Fund balance - beginning	20,515	20,515	20,515	-
Fund balance - ending	\$ 16,586	\$ 9,580	\$ 19,688	\$ 10,108

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Public Assistance Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 128,244	\$ 128,244	\$ 101,890	\$ (26,354)
Other	1,993	1,993	3,197	1,204
Total revenues	130,237	130,237	105,087	(25,150)
Expenditures:				
Human services				
Job and family services				
Personal services	22,712	22,712	21,931	781
Fringe benefits	9,282	9,282	8,984	298
Materials and services	102,829	102,829	87,528	15,301
Capital outlays	527	527	271	256
Total expenditures	135,350	135,350	118,714	16,636
Excess (deficiency) of revenues over (under) expenditures	(5,113)	(5,113)	(13,627)	(8,514)
Other financing sources (uses):				
Transfers in	7,089	7,089	6,716	(373)
Total other financing sources (uses)	7,089	7,089	6,716	(373)
Net change in fund balance	1,976	1,976	(6,911)	(8,887)
Fund balance - beginning	9,985	9,985	9,985	-
Fund balance - ending	\$ 11,961	\$ 11,961	\$ 3,074	\$ (8,887)

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Motor Vehicle and Gasoline Tax Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 5	\$ 19	\$ 14
Fees and charges for services	58	78	20
Fines and forfeitures	650	564	(86)
Intergovernmental	40,741	36,522	(4,219)
Investment income	100	83	(17)
Other	1,890	2,198	308
Total revenues	43,444	39,464	(3,980)
Expenditures:			
Current:			
Public works			
Engineer			
Personal services	8,562	8,490	72
Fringe benefits	3,071	2,834	237
Materials and services	9,378	7,788	1,590
Capital outlays	22,322	18,625	3,697
Total public works	43,333	37,737	5,596
Debt service:			
Engineer			
Principal retirement	823	823	-
Total debt service	823	823	-
Total expenditures	44,156	38,560	5,596
Excess (deficiency) of revenues over (under) expenditures	(712)	904	1,616
Other financing sources (uses):			
Transfers out	(30)	(30)	-
Proceeds from sale of capital assets	102	9	(93)
Total other financing sources (uses)	72	(21)	(93)
Net change in fund balance	(640)	883	1,523
Fund balance - beginning	1,380	1,380	-
Fund balance - ending	\$ 740	\$ 2,263	\$ 1,523

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Senior Services Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Real and other taxes	\$ 17,224	\$ 17,385	\$ 161
Fees and charges for services	662	655	(7)
Intergovernmental	3,923	3,890	(33)
Other	-	14	14
Total revenues	21,809	21,944	135
Expenditures:			
Current:			
Human services			
Office on aging			
Personal services	3,111	3,077	34
Fringe benefits	1,154	1,128	26
Materials and services	16,453	15,480	973
Grants	1,728	1,425	303
Capital outlays	10	-	10
Total human services	22,456	21,110	1,346
Intergovernmental grants:			
Office on aging			
Intergovernmental grants	90	90	-
Total intergovernmental grants	90	90	-
Total expenditures	22,546	21,200	1,346
Excess (deficiency) of revenues over (under) expenditures	(737)	744	1,481
Other financing sources (uses):			
Transfers out	(100)	-	100
Total other financing sources (uses)	(100)	-	100
Net change in fund balance	(837)	744	1,581
Fund balance - beginning	8,491	8,491	-
Fund balance - ending	\$ 7,654	\$ 9,235	\$ 1,581

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Child Support Enforcement Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Fees and charges for services	\$ 2,797	\$ 3,166	\$ 369
Intergovernmental	13,136	12,925	(211)
Other	90	532	442
Total revenues	16,023	16,623	600
Expenditures:			
Current:			
Human services			
Child support enforcement agency			
Personal services	8,733	8,389	344
Fringe benefits	4,273	4,177	96
Materials and services	4,046	3,941	105
Capital outlays	64	57	7
Total expenditures	17,116	16,564	552
Excess (deficiency) of revenues over (under) expenditures	(1,093)	59	1,152
Other financing sources (uses):			
Transfers in	1,099	-	(1,099)
Total other financing sources (uses)	1,099	-	(1,099)
Net change in fund balance	6	59	53
Fund balance - beginning	636	636	-
Fund balance - ending	\$ 642	\$ 695	\$ 53

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Zoological Park Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Real and other taxes	\$ 13,071	\$ 12,859	\$ (212)
Intergovernmental	1,588	1,595	7
Total revenues	14,659	14,454	(205)
Expenditures:			
Current:			
Conservation and recreation			
Zoological Park			
Materials and services	234	123	111
Grants	14,176	14,104	72
Total expenditures	14,410	14,227	183
Excess (deficiency) of revenues over (under) expenditures	249	227	(22)
Other financing sources (uses):			
Transfers out	(227)	(227)	-
Total other financing sources (uses)	(227)	(227)	-
Net change in fund balance	22	-	(22)
Fund balance - beginning	-	-	-
Fund balance - ending	\$ 22	\$ -	\$ (22)

FRANKLIN COUNTY, OHIO

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Real Estate Assessment Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fees and charges for services	\$ 9,848	\$ 1,738	\$ (8,110)
Other	-	115	115
<i>Total revenues</i>	<u>9,848</u>	<u>1,853</u>	<u>(7,995)</u>
Expenditures:			
Current:			
General government			
Auditor - real estate assessment			
Personal services	3,796	3,719	77
Fringe benefits	1,335	1,299	36
Materials and services	9,715	8,649	1,066
Capital outlays	234	175	59
<i>Total expenditures</i>	<u>15,080</u>	<u>13,842</u>	<u>1,238</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(5,232)</u>	<u>(11,989)</u>	<u>(6,757)</u>
Other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>
<i>Net change in fund balance</i>	<u>(5,232)</u>	<u>(11,989)</u>	<u>(6,757)</u>
Fund balance - beginning	24,685	24,685	-
Fund balance - ending	<u>\$ 19,453</u>	<u>\$ 12,696</u>	<u>\$ (6,757)</u>

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Convention Center Lease Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Other	\$ 6,806	\$ 6,806	\$ -
Total revenues	<u>6,806</u>	<u>6,806</u>	<u>-</u>
Expenditures:			
Current:			
General government			
Commissioners - convention facility			
Materials and services	6,806	6,806	-
Total expenditures	<u>6,806</u>	<u>6,806</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning	-	-	-
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Community and Economic Development Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fees and charges for services	\$ 180	\$ 347	\$ 167
Intergovernmental	6,409	2,876	(3,533)
Total revenues	6,589	3,223	(3,366)
Expenditures:			
Current:			
Community development			
Community and economic development			
Personal services	262	258	4
Fringe benefits	85	85	-
Materials and services	418	342	76
Grants	7,757	4,920	2,837
Capital outlays	6	-	6
Total community development	8,528	5,605	2,923
Intergovernmental grants:			
Community and economic development			
Intergovernmental grants	1,140	1,140	-
Total intergovernmental grants	1,140	1,140	-
Total expenditures	9,668	6,745	2,923
Excess (deficiency) of revenues over (under) expenditures	(3,079)	(3,522)	(443)
Other financing sources (uses):			
Transfers in	3,027	3,037	10
Total other financing sources (uses)	3,027	3,037	10
Net change in fund balance	(52)	(485)	(433)
Fund balance - beginning	538	538	-
Fund balance - ending	\$ 486	\$ 53	\$ (433)

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
C.B.C.F. Operations Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Intergovernmental	\$ 5,525	\$ 5,244	\$ (281)
Total revenues	5,525	5,244	(281)
Expenditures:			
Current:			
Public safety			
Common pleas court - community based correctional facility operations			
Personal services	2,963	2,815	148
Fringe benefits	1,218	1,150	68
Materials and services	1,350	1,208	142
Capital outlays	44	6	38
Total expenditures	5,575	5,179	396
Excess (deficiency) of revenues over (under) expenditures	(50)	65	115
Other financing sources (uses):	-	-	-
Net change in fund balance	(50)	65	115
Fund balance - beginning	979	979	-
Fund balance - ending	\$ 929	\$ 1,044	\$ 115

FRANKLIN COUNTY, OHIO

Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Certificate of Title Administration Special Revenue Fund
 Non-GAAP Budgetary Basis
 Year Ended December 31, 2004
 (Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fees and charges for services	\$ 4,351	\$ 4,580	\$ 229
Other	-	1	1
Total revenues	<u>4,351</u>	<u>4,581</u>	<u>230</u>
Expenditures:			
Current:			
General government			
Clerk of courts - auto title			
Personal services	2,638	2,597	41
Fringe benefits	1,090	1,090	-
Materials and services	905	818	87
Total expenditures	<u>4,633</u>	<u>4,505</u>	<u>128</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(282)</u>	<u>76</u>	<u>358</u>
Other financing sources (uses):	-	-	-
Net change in fund balance	<u>(282)</u>	<u>76</u>	<u>358</u>
Fund balance - beginning	3,696	3,696	-
Fund balance - ending	<u>\$ 3,414</u>	<u>\$ 3,772</u>	<u>\$ 358</u>

FRANKLIN COUNTY, OHIO

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Homeland Security and Justice Programs Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 12,940	\$ 4,353	\$ (8,587)
Investment income	22	12	(10)
Other	21	21	-
Total revenues	12,983	4,386	(8,597)
Expenditures:			
Current:			
Public safety			
Commissioners - justice programs unit			
Personal services	227	216	11
Fringe benefits	68	65	3
Materials and services	191	145	46
Grants	3,873	1,924	1,949
Total Commissioners - justice programs unit	4,359	2,350	2,009
Local law enforcement block grant			
Personal services	102	78	24
Fringe benefits	19	14	5
Materials and services	542	464	78
Capital outlays	168	167	1
Total local law enforcement block grant	831	723	108
Total public safety	5,190	3,073	2,117
Intergovernmental grants:			
Commissioners - justice programs unit			
Intergovernmental grants	808	808	-
Total intergovernmental grants	808	808	-
Total expenditures	5,998	3,881	2,117
Excess (deficiency) of revenues over (under) expenditures	6,985	505	(6,480)
Other financing sources (uses):			
Transfers in	204	143	(61)
Transfers out	(844)	(844)	-
Total other financing sources (uses)	(640)	(701)	(61)
Net change in fund balance	6,345	(196)	(6,541)
Fund balance - beginning	1,087	1,087	-
Fund balance - ending	\$ 7,432	\$ 891	\$ (6,541)

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Dog and Kennel Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 826	\$ 669	\$ (157)
Fees and charges for services	373	239	(134)
Fines and forfeitures	198	210	12
Other	9	22	13
Total revenues	<u>1,406</u>	<u>1,140</u>	<u>(266)</u>
Expenditures:			
Current:			
Public safety			
Animal control			
Personal services	1,519	1,512	7
Fringe benefits	827	823	4
Materials and services	1,529	1,121	408
Capital outlays	32	31	1
Total animal control	<u>3,907</u>	<u>3,487</u>	<u>420</u>
Auditor - dog & kennel			
Materials and services	60	54	6
Total auditor - dog & kennel	<u>60</u>	<u>54</u>	<u>6</u>
Total expenditures	<u>3,967</u>	<u>3,541</u>	<u>426</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,561)</u>	<u>(2,401)</u>	<u>160</u>
Other financing sources (uses):			
Transfers in	2,440	2,440	-
Proceeds from sale of capital assets	-	8	8
Total other financing sources (uses)	<u>2,440</u>	<u>2,448</u>	<u>8</u>
Net change in fund balance	<u>(121)</u>	<u>47</u>	<u>168</u>
Fund balance - beginning	384	384	-
Fund balance - ending	<u>\$ 263</u>	<u>\$ 431</u>	<u>\$ 168</u>

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Domestic and Juvenile Court Grants Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,006	\$ 4,147	\$ 141
Total revenues	4,006	4,147	141
Expenditures:			
Current:			
Judicial			
Domestic and juvenile court - drug court			
Personal services	40	40	-
Fringe benefits	15	15	-
Materials and services	62	14	48
Total judicial	117	69	48
Public safety			
Domestic and juvenile court			
Personal services	1,062	929	133
Fringe benefits	361	348	13
Materials and services	1,017	602	415
Total public safety	2,440	1,879	561
Human services			
Domestic and juvenile court			
Personal services	477	410	67
Fringe benefits	196	175	21
Materials and services	43	17	26
Total human services	716	602	114
Total expenditures	3,273	2,550	723
Excess (deficiency) of revenues over (under) expenditures	733	1,597	864
Other financing sources (uses):	-	-	-
Net change in fund balance	733	1,597	864
Fund balance - beginning	7,011	7,011	-
Fund balance - ending	\$ 7,744	\$ 8,608	\$ 864

FRANKLIN COUNTY, OHIO

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Emergency Management Agency Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Fees and charges for services	\$ 546	\$ 554	\$ 8
Intergovernmental	7,867	1,625	(6,242)
Other	-	25	25
Total revenues	8,413	2,204	(6,209)
Expenditures:			
Current:			
Public safety			
EMA - disaster services			
Personal services	397	306	91
Fringe benefits	120	106	14
Materials and services	2,936	1,068	1,868
Grants	3,917	-	3,917
Capital outlays	804	405	399
Total EMA - disaster services	8,174	1,885	6,289
EMA - warning			
Materials and services	191	129	62
Capital outlays	369	61	308
Total EMA - warning	560	190	370
Total expenditures	8,734	2,075	6,659
Excess (deficiency) of revenues over (under) expenditures	(321)	129	450
Other financing sources (uses):	-	-	-
Net change in fund balance	(321)	129	450
Fund balance - beginning	528	528	-
Fund balance - ending	\$ 207	\$ 657	\$ 450

FRANKLIN COUNTY, OHIO

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Adult Probation and Community Corrections Special Revenue Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Fees and charges for services	\$ 116	\$ 120	\$ 4
Intergovernmental	1,460	1,444	(16)
Other	-	51	51
Total revenues	<u>1,576</u>	<u>1,615</u>	<u>39</u>
Expenditures:			
Current:			
Public safety			
Common pleas court			
Personal services	969	910	59
Fringe benefits	363	335	28
Materials and services	254	151	103
Capital outlays	17	17	-
Total expenditures	<u>1,603</u>	<u>1,413</u>	<u>190</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(27)</u>	<u>202</u>	<u>229</u>
Other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(27)</u>	<u>202</u>	<u>229</u>
Fund balance - beginning	<u>668</u>	<u>668</u>	<u>-</u>
Fund balance - ending	<u>\$ 641</u>	<u>\$ 870</u>	<u>\$ 229</u>

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Other Special Revenue Funds
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenues:			
Licenses and permits	\$ 398	\$ 67	\$ (331)
Fees and charges for services	8,027	7,636	(391)
Fines and forfeitures	6	5	(1)
Intergovernmental	1,148	827	(321)
Investment income	37	56	19
Other	451	385	(66)
Total revenues	10,067	8,976	(1,091)
Expenditures:			
Current:			
General government			
Personal services	951	937	14
Fringe benefits	345	328	17
Materials and services	2,675	2,338	337
Capital outlays	704	369	335
Total general government	4,675	3,972	703
Judicial			
Personal services	1,019	901	118
Fringe benefits	342	309	33
Materials and services	908	714	194
Capital outlays	15	12	3
Total judicial	2,284	1,936	348
Public safety			
Personal services	1,009	675	334
Fringe benefits	278	203	75
Materials and services	1,938	1,248	690
Capital outlays	46	34	12
Total public safety	3,271	2,160	1,111
Human services			
Materials and services	622	549	73
Total human services	622	549	73
Public works			
Personal services	137	63	74
Fringe benefits	37	18	19
Materials and services	105	54	51
Total public works	279	135	144
Community development			
Materials and services	31	31	-
Capital outlays	250	14	236
Total community development	281	45	236

(Continued on next page)

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Other Special Revenue Funds
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Intergovernmental grants:			
Intergovernmental grants	\$ 330	\$ 298	\$ 32
Total intergovernmental grants	<u>330</u>	<u>298</u>	<u>32</u>
<i>Total expenditures</i>	<u>11,742</u>	<u>9,095</u>	<u>2,647</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>	<u>(1,675)</u>	<u>(119)</u>	<u>1,556</u>
Other financing sources (uses):			
Transfers in	1,132	1,113	(19)
Transfers out	(536)	(262)	274
<i>Total other financing sources (uses)</i>	<u>596</u>	<u>851</u>	<u>255</u>
<i>Net change in fund balance</i>	<u>(1,079)</u>	<u>732</u>	<u>1,811</u>
Fund balance - beginning	20,733	20,733	-
Fund balance - ending	<u><u>\$ 19,654</u></u>	<u><u>\$ 21,465</u></u>	<u><u>\$ 1,811</u></u>

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Debt Service Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:			
Other	\$ 3,341	\$ 3,958	\$ 617
Total revenues	3,341	3,958	617
Expenditures:			
Debt service:			
Commissioners - bond retirement			
Principal retirement	8,645	8,380	265
Interest charges	7,783	7,134	649
Total expenditures	16,428	15,514	914
Excess (deficiency) of revenues over (under) expenditures	(13,087)	(11,556)	1,531
Other financing sources (uses):			
Transfers in	13,087	11,553	(1,534)
Total other financing sources (uses)	13,087	11,553	(1,534)
Net change in fund balance	-	(3)	(3)
Fund balance - beginning	654	654	-
Fund balance - ending	\$ 654	\$ 651	\$ (3)

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Capital Projects Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:	\$ -	\$ -	\$ -
Expenditures:			
Capital outlays:			
Commissioners - Vets Memorial permanent improvement			
Capital outlays	147	128	19
Total Commissioners - Vets Memorial permanent improvement	147	128	19
Sheriff - computer aided dispatch and mobile data terminal system			
Capital outlays	71	71	-
Total Sheriff - computer aided dispatch and mobile data terminal system	71	71	-
Total expenditures	218	199	19
Excess (deficiency) of revenues over (under) expenditures	(218)	(199)	19
Other financing sources (uses):			
Transfers out	(37)	(37)	-
Total other financing sources (uses)	(37)	(37)	-
Net change in fund balance	(255)	(236)	19
Fund balance - beginning	5,022	5,022	-
Fund balance - ending	\$ 4,767	\$ 4,786	\$ 19

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual
Water and Sewer Enterprise Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Fees and charges for services	\$ 5,230	\$ 4,794	\$ (436)
Other	57	16	(41)
Total operating revenues	5,287	4,810	(477)
Operating expenses:			
Personal services	580	554	26
Fringe benefits	206	198	8
Materials and services	4,233	2,738	1,495
Capital outlays	14,465	3,622	10,843
Total operating expenses	19,484	7,112	12,372
Operating income (loss)	(14,197)	(2,302)	11,895
Nonoperating revenues (expenses):			
Intergovernmental	3,924	2,733	(1,191)
Proceeds of notes	7,466	-	(7,466)
Debt service:			
Principal retirement	(171)	(171)	-
Interest charges	(167)	(153)	14
Total nonoperating revenues (expenses)	11,052	2,409	(8,643)
Income (loss) before operating transfers	(3,145)	107	3,252
Transfers in	2,184	1,375	(809)
Net change in fund equity	(961)	1,482	2,443
Fund equity - beginning	3,010	3,010	-
Fund equity - ending	\$ 2,049	\$ 4,492	\$ 2,443

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual
Parking Facilities Enterprise Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues:			
Fees and charges for services	\$ 2,526	\$ 2,516	\$ (10)
Total operating revenues	2,526	2,516	(10)
Operating expenses:			
Personal services	262	251	11
Fringe benefits	116	115	1
Materials and services	760	642	118
Total operating expenses	1,138	1,008	130
Operating income (loss)	1,388	1,508	120
Nonoperating revenues (expenses):	-	-	-
Income (loss) before operating transfers	1,388	1,508	120
Transfers out	(1,303)	(1,303)	-
Net change in fund equity	85	205	120
Fund equity - beginning	1,662	1,662	-
Fund equity - ending	\$ 1,747	\$ 1,867	\$ 120

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual
Employee Benefits Internal Service Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Operating revenues:			
Fees and charges for services	\$ 44,498	\$ 44,418	\$ (80)
Other	1,669	1,770	101
Total operating revenues	<u>46,167</u>	<u>46,188</u>	<u>21</u>
Operating expenses:			
Materials and services	45,900	45,796	104
Total operating expenses	<u>45,900</u>	<u>45,796</u>	<u>104</u>
 Operating income (loss)	 <u>267</u>	 <u>392</u>	 <u>125</u>
Nonoperating revenues (expenses):	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) before operating transfers	267	392	125
Transfers in	558	558	-
Transfers out	(528)	(475)	53
Net change in fund equity	<u>297</u>	<u>475</u>	<u>178</u>
Fund equity - beginning	333	333	-
Fund equity - ending	<u><u>\$ 630</u></u>	<u><u>\$ 808</u></u>	<u><u>\$ 178</u></u>

FRANKLIN COUNTY, OHIO
Schedule of Revenues, Expenses and
Changes in Fund Equity - Budget and Actual
Telecommunications Internal Service Fund
Non-GAAP Budgetary Basis
Year Ended December 31, 2004
(Amounts in 000's)

	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
Operating revenues:			
Fees and charges for services	\$ 170	\$ 181	\$ 11
<i>Total operating revenues</i>	170	181	11
Operating expenses:			
Materials and services	51	50	1
Capital outlays	11	11	-
<i>Total operating expenses</i>	62	61	1
<i>Operating income (loss)</i>	108	120	12
Nonoperating revenues (expenses):	-	-	-
Income (loss) before operating transfers	108	120	12
Transfers out	(48)	(48)	-
<i>Net change in fund equity</i>	60	72	12
Fund equity - beginning	120	120	-
Fund equity - ending	\$ 180	\$ 192	\$ 12

FRANKLIN COUNTY, OHIO

Combining Statement of Net Assets
Discretely Presented Component Units
Year Ended December 31, 2004
(Amounts in 000's)

	ARC Industries	Veterans Memorial Hall	Stadium and Team	Total
Assets:				
Cash and investments in segregated accounts	\$ 5,492	\$ 241	\$ 3,115	\$ 8,848
Accounts receivable	768	29	9	806
Accrued interest receivable	6	-	-	6
Due from primary government	184	-	-	184
Prepaid items	57	51	11	119
Inventories	68	-	152	220
Depreciable capital assets	305	290	2,437	3,032
Total assets	6,880	611	5,724	13,215
Liabilities:				
Accrued wages	327	36	-	363
Accounts payable and other current liabilities	197	90	349	636
Unearned revenue	-	93	307	400
Long term liabilities:				
Due within one year	-	39	-	39
Due in more than one year	-	326	9	335
Total liabilities	524	584	665	1,773
Net assets:				
Invested in capital assets	305	290	2,437	3,032
Unrestricted	6,051	(263)	2,622	8,410
Total net assets	\$ 6,356	\$ 27	\$ 5,059	\$ 11,442

FRANKLIN COUNTY, OHIO
 Combining Statement of Activities
 Discretely Presented Component Units
 Year Ended December 31, 2004
 (Amounts in 000's)

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	ARC Industries	Veterans Memorial Hall	Stadium and Team	Total
Component units:							
ARC Industries:							
Health	\$ 6,579	\$ 6,646	-	\$ 67	\$ -	\$ -	\$ 67
Veterans Memorial Hall:							
Conservation and recreation	2,416	1,896	291	-	(229)	-	(229)
Stadium and Team:							
Conservation and recreation	4,168	3,623	-	-	-	(545)	(545)
Total component units	\$ 13,163	\$ 12,165	\$ 291	67	(229)	(545)	(707)
General revenues:							
Grants and contributions not restricted to specific				85	-	-	85
Unrestricted investment earnings				49	3	446	498
Total general revenues and transfers				134	3	446	583
Change in net assets				201	(226)	(99)	(124)
Net assets - beginning (restated)				6,155	253	5,158	11,566
Net assets - ending				\$ 6,356	\$ 27	\$ 5,059	\$ 11,442



Statistical Section

STATISTICAL TABLES

The following statistical tables provide selected financial, economic, demographic and socioeconomic information that may be useful for further analysis and comparison. The tables include information on ratios, trends, assessments, taxes and long-term debt. Disclosure information pursuant to Securities and Exchange Commission Rule 15c2-12 is also provided.

FRANKLIN COUNTY, OHIO
 General Governmental Expenditures by Function¹
 Last Ten Fiscal Years
 (Amounts in 000's)

Table 1

Fiscal Year	General Government	Judicial	Public Safety	Human Services	Health	Public Works
1995	\$ 54,850	\$ 35,208	\$ 59,319	\$ 166,415	\$ 168,252	\$ 20,513
1996	55,492	29,792	59,795	171,605	177,836	29,956
1997	53,720	32,895	65,649	183,783	141,854	35,205
1998	72,286	34,271	70,804	206,651	195,360	34,229
1999	63,945	43,730	76,150	231,603	239,732	34,395
2000	60,621	46,607	84,364	252,770	232,033	34,110
2001	70,419	53,979	92,464	307,487	252,518	31,365
2002	70,907	58,561	104,966	306,802	254,013	38,483
2003	76,651	62,662	109,799	324,661	251,131	47,945
2004	83,267	63,260	117,177	312,418	306,618	37,413

Notes: ¹ Includes general, special revenue, debt service and capital projects funds of the primary government. Expenditures for fiscal years 1995-2003 restated to reflect reclassifications and corrections.

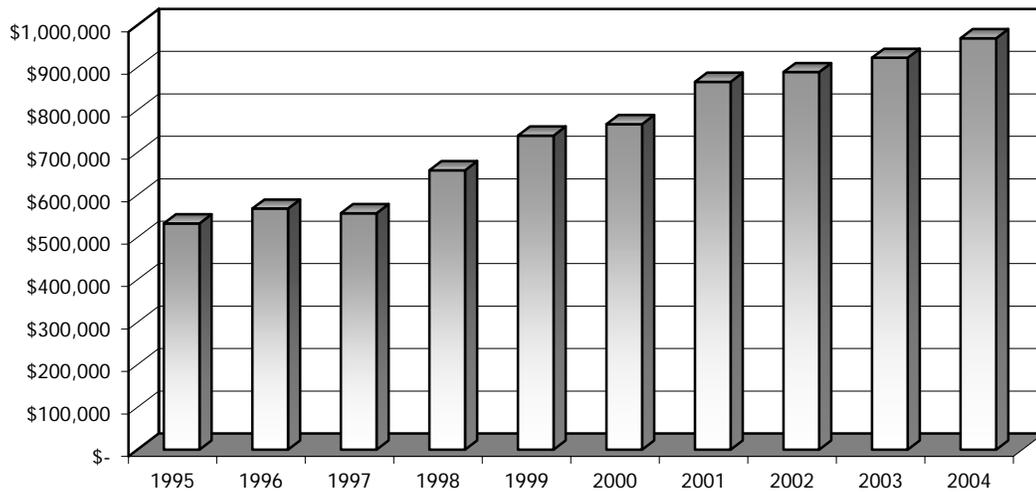
² New functional category in 1996.

(Continued on next page)

FRANKLIN COUNTY, OHIO
 General Governmental Expenditures by Function¹
 Last Ten Fiscal Years
 (Amounts in 000's)

Table 1

Fiscal Year	Conservation and Recreation	Community Development	Capital Outlays	Debt Service	Intergovernmental Grants ²	Total
1995	\$ 6,582	\$ 4,514	\$ 1,308	\$ 15,740	\$ -	\$ 532,701
1996	12,711	3,320	8,871	17,033	1,039	567,450
1997	13,498	2,993	8,339	17,367	1,161	556,464
1998	12,426	2,220	6,894	19,189	3,433	657,763
1999	12,898	3,262	12,623	17,889	3,286	739,513
2000	13,191	2,992	19,795	17,352	2,902	766,737
2001	13,602	3,058	23,037	16,389	2,040	866,358
2002	13,959	6,557	13,578	15,713	5,346	888,885
2003	14,023	5,489	5,407	17,177	7,753	922,698
2004	14,218	6,528	3,884	16,048	7,753	968,584



FRANKLIN COUNTY, OHIO
 General Governmental Revenues by Source¹
 Last Ten Fiscal Years
 (Amounts in 000's)

Table 2

Fiscal Year	Sales Tax	Real and Other Taxes	Licenses and Permits	Fees and Charges for Services
1995	\$ 60,690	\$ 177,508	\$ 1,325	\$ 36,353
1996	63,684	186,015	1,422	38,250
1997	68,560	181,587	1,255	36,995
1998	72,262	211,736	1,526	57,167
1999	79,030	253,438	1,223	56,574
2000	82,901	277,827	1,426	58,775
2001	81,139	285,376	1,112	64,915
2002	79,622	289,733	1,273	74,634
2003	81,682	310,675	1,396	78,774
2004	85,588	315,533	1,535	67,936

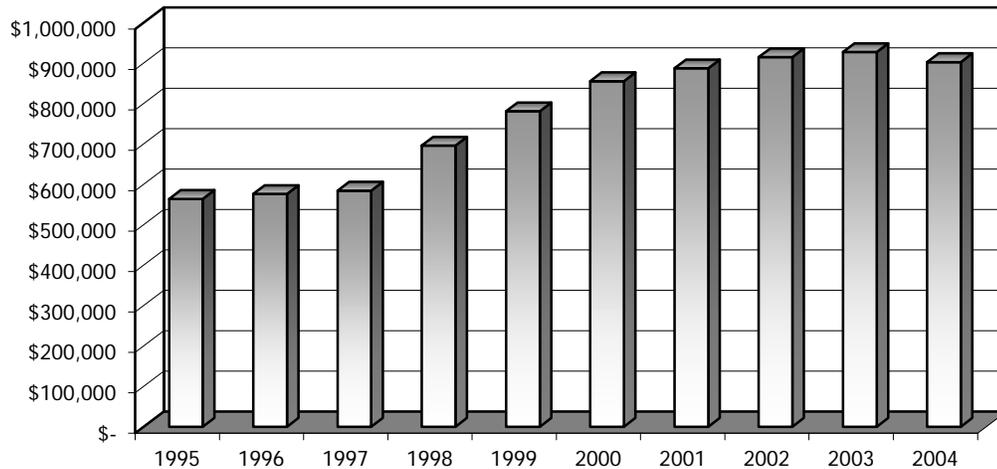
Notes: ¹ Includes general, special revenue, debt service and capital projects funds of the primary government. Revenues for fiscal years 1995-2003 restated to reflect reclassifications and corrections.

(Continued on next page)

FRANKLIN COUNTY, OHIO
 General Governmental Revenues by Source¹
 Last Ten Fiscal Years
 (Amounts in 000's)

Table 2

Fiscal Year	Fines and Forfeitures	Intergovernmental	Investment Income	Other	Total
1995	\$ 1,376	\$ 249,964	\$ 18,061	\$ 18,473	\$ 563,750
1996	1,196	246,970	20,376	18,310	576,223
1997	1,540	253,293	21,626	19,310	584,166
1998	1,325	309,117	23,954	18,633	695,720
1999	1,568	352,765	20,448	15,507	780,553
2000	1,401	370,459	42,340	19,986	855,115
2001	1,552	388,845	43,570	20,564	887,073
2002	1,655	423,867	24,697	19,120	914,601
2003	1,852	416,842	12,523	23,414	927,158
2004	2,286	396,819	11,033	21,755	902,485



FRANKLIN COUNTY, OHIO

Table 3

Property Tax Levies and Collections
 Last Ten Fiscal Years
 (Amounts in 000's)

<u>Fiscal Year</u>	<u>Equalized Tax Levy¹</u>	<u>Current Tax Collections²</u>	<u>Percent of Levy Collected</u>
1995	\$ 194,933	\$ 190,994	98.0%
1996	205,273	200,177	97.5%
1997	219,316	213,914	97.5%
1998	228,439	223,748	97.9%
1999	279,715	273,824	97.9%
2000	304,051	295,269	97.1%
2001	314,141	301,641	96.0%
2002	319,340	302,203	94.6%
2003	342,578	324,408	94.7%
2004	346,556	326,932	94.3%

Source: Franklin County Auditor's Office.

- Notes:
- ¹ Levy before adjustment for exempt valuation.
 - ² Current tax collections include state reimbursement for homestead/roll-back.
 - ³ Total tax collections include state reimbursement for homestead/roll-back.

(Continued on next page)

FRANKLIN COUNTY, OHIO

Table 3

Property Tax Levies and Collections
Last Ten Fiscal Years
(Amounts in 000's)

<u>Fiscal Year</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections³</u>	<u>Percent of Total Collections to Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Percent of Outstanding Delinquent Taxes to Levy</u>
1995	\$ 6,978	\$ 197,972	101.6%	\$ 12,183	6.2%
1996	6,016	206,193	100.4%	13,917	6.8%
1997	6,738	220,652	100.6%	13,351	6.1%
1998	8,153	231,901	101.5%	13,881	6.1%
1999	8,757	282,581	101.0%	17,723	6.3%
2000	7,628	302,897	99.6%	22,582	7.4%
2001	10,548	312,189	99.4%	27,843	8.9%
2002	13,132	315,335	98.7%	28,615	9.0%
2003	14,637	339,045	99.0%	29,103	8.5%
2004	16,739	343,671	99.2%	23,635	6.8%

FRANKLIN COUNTY, OHIO

Table 4

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Amounts in 000's)

Tax Year	Real Property		Personal Property	
	Assessed Value ¹	Estimated Actual Value	Assessed Value	Estimated Actual Value
1995	\$ 13,159,207	\$ 37,597,734	\$ 1,997,805 ²	\$ 7,991,220
1996	14,304,242	40,869,263	2,142,943 ²	8,571,772
1997	14,737,666	42,107,617	2,256,250 ²	9,025,000
1998	15,360,595	43,887,414	2,319,124 ²	9,276,496
1999	17,689,287	50,540,820	2,383,642 ²	9,534,568
2000	18,204,578	52,013,080	2,553,204 ²	10,212,816
2001	18,749,004	53,568,583	2,579,141 ²	10,316,564
2002	21,246,923	60,705,494	2,695,271 ²	10,781,084
2003	21,760,810	62,173,743	2,222,664 ³	9,261,100
2004	22,266,430	63,618,371	2,148,071 ³	8,950,296

Source: Franklin County Auditor's Office.

- Notes:
- ¹ Assessed value = 35% of estimated actual value.
 - ² Assessed value = 25% of estimated actual value.
 - ³ Assessed value = 25% of estimated actual value, except on inventories for which assessed value = 23% of estimated actual value.
 - ⁴ Assessment percentage varies depending on type of utility (electric, telecommunication and gas).

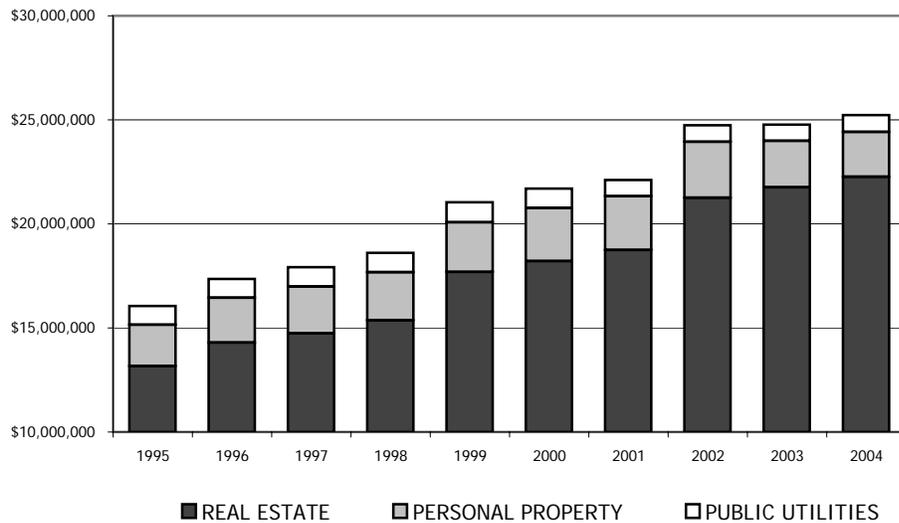
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FRANKLIN COUNTY, OHIO
 Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (Amounts in 000's)

Table 4

Tax Year	Public Utilities		Totals		Ratio
	Assessed Value ⁴	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1995	\$ 898,236	\$ 2,566,389	\$ 16,055,248	\$ 48,155,343	33.3%
1996	909,247	2,597,849	17,356,432	52,038,884	33.4%
1997	922,373	2,635,351	17,916,289	53,767,968	33.3%
1998	927,986	2,651,389	18,607,705	55,815,299	33.3%
1999	959,182	2,740,520	21,032,111	62,815,908	33.5%
2000	940,870	2,688,200	21,698,652	64,914,096	33.4%
2001	783,268	2,237,909	22,111,413	66,123,056	33.4%
2002	801,985	2,291,386	24,744,179	73,777,964	33.5%
2003	788,157	2,251,877	24,771,631	73,686,720	33.6%
2004	818,179	2,337,654	25,232,680	74,906,322	33.7%

ASSESSED VALUE OF TAXABLE PROPERTY



FRANKLIN COUNTY, OHIO
 Real Property Value and Construction
 Last Ten Fiscal Years
 (Amounts in 000's)

Table 5

Tax Year	New Construction			Real Property Value		
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Agricultural/ Residential ¹	Commercial/ Industrial ¹	Tax-Exempt ²
1995	\$ 650,845	\$ 335,683	\$ 986,528	\$ 24,421,986	\$ 13,458,356	\$ 7,843,091
1996	582,124	384,485	966,609	27,065,364	13,781,001	8,458,747
1997	666,894	380,648	1,047,542	28,044,905	14,350,657	8,823,683
1998	720,208	496,006	1,216,214	28,689,247	15,198,168	8,848,304
1999	778,365	593,507	1,371,872	33,483,819	17,028,093	9,898,872
2000	739,535	596,765	1,336,300	34,413,861	17,567,667	10,843,918
2001	755,688	553,429	1,309,117	35,350,784	18,196,506	11,599,142
2002	902,251	494,123	1,396,374	40,890,417	19,815,076	13,178,663
2003	995,854	375,633	1,371,487	42,097,663	20,076,080	13,498,844
2004	1,061,898	436,245	1,498,143	43,358,683	20,259,686	14,034,765

Source: Franklin County Auditor's Office.

Notes: All are appraised values.

¹ Prior to any value or class adjustment (e.g., homestead, current agricultural use valuation)

² Includes abated values.

FRANKLIN COUNTY, OHIO

Table 6

Ad Valorem Property Tax Collections and Delinquencies ¹ Last Ten Fiscal Years (Amounts in 000's)

Collection Year	Current Amount Billed ²	Amount Collected Including Previous Delinquencies and Subsequent Additions	Current Unpaid Delinquencies for the Year	Prior Unpaid Delinquencies for the Year
Real estate and public utilities:				
1995	\$ 812,872	\$ 816,991	\$ 20,747	\$ 14,787
1996	852,333	853,385	19,536	18,056
1997	912,632	914,620	20,818	16,579
1998	968,733	956,406	25,597	21,670
1999	1,062,342	1,067,659	31,661	20,247
2000	1,131,068	1,132,138	33,818	22,938
2001	1,192,452	1,192,371	37,216	26,120
2002	1,222,149	1,215,586	40,844	29,168
2003	1,318,680	1,316,751	43,899	28,166
2004	1,354,859	1,356,942	37,352	21,383
Personal property:				
1995	\$ 156,641	\$ 169,600	\$ 3,946	\$ 21,238
1996	171,929	177,060	6,769	25,565
1997	186,549	192,230	10,688	21,191
1998	193,241	209,273	7,182	20,251
1999	208,355	219,497	7,686	21,438
2000	221,815	224,601	9,086	39,552
2001	226,791	231,308	12,665	59,405
2002	238,132	244,719	16,253	50,259
2003	205,731	213,866	12,394	50,747
2004	198,714	204,921	9,239	42,600

Source: Franklin County Auditor's Office.

Notes: ¹ Includes all political subdivisions within Franklin County.

² Amount originally certified to the State of Ohio Board of Tax Appeals at the beginning of the tax year. Does not include delinquencies from previous years or subsequent additions to the tax duplicate which may be assessed during the year.

FRANKLIN COUNTY, OHIO

Table 7

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
County:				
General Fund	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47
Children Services	3.95	4.25	4.25	4.25
ADAMH Board	2.20	2.20	2.20	2.20
MR & DD	5.15	5.15	5.15	7.47
Zoological Park	0.75	0.75	0.75	0.75
Office on Aging	0.75	0.75	0.85	0.85
Total County rates	<u>\$ 14.27</u>	<u>\$ 14.57</u>	<u>\$ 14.67</u>	<u>\$ 16.99</u>
School districts:				
Bexley	\$ 92.82	\$ 91.92	\$ 91.92	\$ 98.10
Canal Winchester	44.99	51.10	56.46	55.86
Columbus	52.98	58.11	58.04	57.95
Dublin	58.41	57.90	57.90	65.50
Gahanna-Jefferson	55.43	54.85	54.69	62.09
Grandview Heights	75.62	75.55	75.53	82.32
Groveport-Madison	48.14	48.05	56.85	56.33
Hamilton	47.32	47.26	47.20	47.13
Hilliard	60.65	60.28	59.96	59.71
Plain	39.54	39.08	50.45	49.34
Reynoldsburg	51.13	50.45	55.30	55.12
South-Western	52.48	52.36	52.30	57.18
Upper Arlington	78.12	77.82	77.86	84.03
Westerville	61.03	61.31	61.32	61.15
Whitehall	65.72	65.62	65.61	65.61
Worthington	73.40	72.88	73.66	73.66
School districts (out-of-County):				
Jonathan Alder	\$ 40.10	\$ 40.10	\$ 40.10	\$ 40.10
Licking Heights	40.70	40.70	40.70	40.10
Madison-Plains	37.25	37.25	36.40	35.45
Olentangy	43.25	41.01	42.84	41.57
Pickerington	65.00	65.00	68.96	66.36
Teays Valley	28.50	28.00	25.00	25.00
Joint vocational school districts:				
Central Ohio	\$ 1.60	\$ 1.60	\$ 1.60	\$ 1.60
Delaware County	2.50	4.40	3.40	3.40
Eastland	1.20	1.20	1.20	2.00
Licking County	2.00	2.00	2.00	2.00

Source: Franklin County Auditor's Office.

(Continued on next page)

FRANKLIN COUNTY, OHIO

Table 7

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

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
County:						
General Fund	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47	\$ 1.47
Children Services	4.25	4.25	4.25	4.25	4.25	5.05
ADAMH Board	2.20	2.20	2.20	2.20	2.20	2.20
MR & DD	7.47	7.47	7.47	7.47	7.47	7.47
Zoological Park	0.75	0.75	0.75	0.75	0.75	0.75
Office on Aging	0.85	0.85	0.85	0.85	0.85	0.85
Total County rates	<u>\$ 16.99</u>	<u>\$ 17.79</u>				
School districts:						
Bexley	\$ 97.73	\$ 111.08	\$ 111.10	\$ 109.72	\$ 113.00	\$ 109.50
Canal Winchester	55.91	55.91	62.80	61.20	61.05	61.00
Columbus	57.57	57.37	57.37	58.80	59.18	67.65
Dublin	65.22	65.22	65.22	64.60	64.60	64.60
Gahanna-Jefferson	61.35	61.21	61.24	60.90	61.19	60.14
Grandview Heights	81.82	81.97	82.17	92.12	92.33	92.45
Groveport-Madison	55.40	55.05	54.50	53.78	53.88	53.36
Hamilton	47.09	54.10	54.11	53.75	53.65	53.43
Hilliard	59.71	65.61	65.61	64.44	64.44	74.40
Plain	47.46	52.17	52.03	50.17	59.19	58.10
Reynoldsburg	55.49	55.39	55.28	58.20	58.21	59.63
South-Western	56.97	56.97	56.61	56.44	56.43	55.23
Upper Arlington	83.95	83.32	89.52	89.15	89.11	96.24
Westerville	59.66	63.50	63.40	63.20	63.20	68.01
Whitehall	65.49	65.52	65.49	65.40	65.40	65.40
Worthington	72.65	72.60	78.38	77.88	77.71	84.56
School districts (out-of-County):						
Jonathan Alder	\$ 40.10	\$ 40.10	\$ 40.10	\$ 49.00	\$ 48.60	\$ 48.10
Licking Heights	39.60	48.50	48.10	47.53	47.52	47.52
Madison-Plains	35.45	35.45	35.45	35.45	40.45	40.45
Olentangy	49.77	49.80	49.80	50.56	50.50	61.00
Pickerington	66.36	70.30	70.10	70.10	78.00	77.50
Teays Valley	31.60	31.60	31.60	31.60	31.60	31.60
Joint vocational school districts:						
Central Ohio	\$ 1.60	\$ 1.10	\$ 1.10	\$ 0.50	\$ 0.50	\$ 0.50
Delaware County	3.40	3.40	3.20	3.20	3.20	3.20
Eastland	2.00	2.00	2.00	2.00	2.00	2.00
Licking County	2.00	2.00	2.00	3.00	2.80	3.00

Source: Franklin County Auditor's Office.

(Continued on next page)

FRANKLIN COUNTY, OHIO

Table 7

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

	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Corporations:				
Bexley	\$ 8.35	\$ 5.35	\$ 5.35	\$ 5.35
Brice	3.20	3.20	3.20	3.20
Canal Winchester	2.00	2.00	2.00	2.00
Columbus	3.14	3.14	3.14	3.14
Dublin	2.98	2.98	2.97	2.97
Gahanna	2.40	2.40	2.40	2.40
Grandview Heights	9.30	9.30	9.30	10.70
Grove City	4.90	4.90	4.80	4.70
Groveport	1.40	1.40	1.40	1.40
Harrisburg	5.00	5.00	5.00	1.00
Hilliard	1.60	1.60	1.60	1.60
Lockbourne	2.50	2.50	2.50	2.50
Marble Cliff	0.35	0.35	0.35	0.35
Minerva Park	10.10	10.10	15.10	16.31
New Albany	1.95	1.95	1.71	1.70
New Rome	1.20	1.20	1.20	1.20
Obetz	1.70	1.70	1.70	1.70
Pickerington	7.80	7.80	7.80	7.80
Reynoldsburg	2.90	0.79	0.78	0.77
Riverlea	8.00	6.00	6.00	6.00
Upper Arlington	6.27	6.23	6.84	6.42
Urbancrest	5.60	5.60	5.60	5.60
Valleyview	24.53	24.53	24.53	24.53
Westerville	14.44	14.72	14.69	14.65
Whitehall	1.50	1.50	1.50	1.50
Worthington	3.00	3.00	3.00	3.00
Townships:				
Blendon	\$ 19.00	\$ 21.45	\$ 22.60	\$ 22.43
Brown	9.60	9.60	9.60	9.60
Clinton	25.64	25.64	25.64	25.64
Franklin	13.05	13.05	13.05	13.05
Hamilton	12.30	14.55	14.55	14.55
Jackson	20.20	20.20	20.20	20.20
Jefferson	9.20	9.20	9.85	10.82
Madison	21.80	21.80	21.80	21.80
Mifflin	20.80	22.80	20.80	20.80
Norwich	12.80	12.80	12.80	18.80
Perry	23.80	23.80	23.80	23.80
Plain	9.16	9.21	9.42	9.34
Pleasant	16.20	16.20	16.20	16.20
Prairie	14.00	14.00	14.20	14.20
Sharon	13.10	13.10	13.10	13.10
Truro	12.65	12.65	12.65	12.65
Washington	18.54	18.53	18.52	18.51
Other units:				
Columbus Metropolitan Library	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.20
Grandview Heights Public Library	4.70	4.70	4.70	4.70
Delaware County District Library	0.37	0.29	0.31	0.29
Metropolitan Park District	0.55	0.55	0.55	0.55
New Albany-Plain Park District**	-	-	-	-
Upper Arlington Public Library	1.00	1.00	1.00	1.00
Westerville Public Library***	-	-	-	-
Worthington Public Library	2.20	2.20	2.20	2.20

** Effective 2000

*** Effective 2002

(Continued on next page)

FRANKLIN COUNTY, OHIO

Table 7

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

	1999	2000	2001	2002	2003	2004
Corporations:						
Bexley	\$ 5.35	\$ 5.35	\$ 5.35	\$ 7.85	\$ 7.85	\$ 7.85
Brice	3.20	3.20	3.20	3.20	3.20	3.20
Canal Winchester	2.00	2.00	2.00	2.00	2.00	2.00
Columbus	3.14	3.14	3.14	3.14	3.14	3.14
Dublin	2.97	2.97	2.97	2.97	2.96	2.96
Gahanna	2.40	2.40	2.40	2.40	2.40	2.40
Grandview Heights	10.70	10.70	10.70	10.70	10.70	10.70
Grove City	4.60	4.50	4.40	4.30	4.20	4.20
Groveport	1.40	1.40	1.40	1.40	1.40	1.40
Harrisburg	1.00	1.00	1.00	1.00	1.00	1.00
Hilliard	1.60	1.60	1.60	1.60	1.60	1.60
Lockbourne	2.50	2.50	2.50	2.50	2.50	2.50
Marble Cliff	0.35	0.35	0.35	0.35	0.35	0.35
Minerva Park	12.32	16.32	16.32	16.13	16.13	16.08
New Albany	1.57	1.23	1.72	1.73	1.94	1.94
New Rome	1.20	1.20	1.20	1.20	-	-
Obetz	1.70	1.70	1.70	1.70	1.70	1.70
Pickerington	7.80	7.80	7.80	7.80	7.80	7.80
Reynoldsburg	0.76	0.76	0.70	0.70	0.70	0.70
Riverlea	6.00	6.00	6.00	6.00	6.00	6.00
Upper Arlington	6.39	6.39	6.76	6.86	6.86	6.85
Urbancrest	0.60	0.60	0.60	0.60	0.60	0.60
Valleyview	24.53	24.53	24.53	24.53	24.53	24.53
Westerville	14.57	14.54	14.50	17.85	18.06	17.95
Whitehall	1.50	1.50	1.50	1.50	1.50	1.50
Worthington	3.00	3.00	3.00	3.00	3.00	3.00
Townships:						
Blendon	\$ 22.41	\$ 22.16	\$ 22.00	\$ 25.40	\$ 25.07	\$ 25.05
Brown	9.60	9.60	9.60	9.60	9.60	12.80
Clinton	25.64	25.64	25.64	25.64	25.64	25.64
Franklin	13.05	13.05	13.05	13.05	13.05	18.05
Hamilton	15.05	15.55	15.80	15.80	15.80	15.80
Jackson	20.20	20.20	20.20	20.20	20.20	20.20
Jefferson	10.59	10.53	10.50	10.37	10.37	10.28
Madison	21.80	21.80	21.80	21.80	21.80	21.80
Mifflin	20.80	21.80	21.80	21.80	21.80	22.80
Norwich	18.80	18.80	18.80	21.60	21.60	21.60
Perry	23.80	20.50	23.80	23.80	20.40	18.40
Plain	10.72	13.58	13.52	13.43	13.12	13.37
Pleasant	16.20	16.20	16.20	16.20	18.70	18.70
Prairie	14.20	14.20	14.20	14.20	14.20	14.20
Sharon	19.10	19.08	19.00	23.50	23.50	23.50
Truro	12.65	12.65	12.65	16.65	16.65	16.65
Washington	20.01	20.00	20.00	20.00	20.00	19.99
Other units:						
Columbus Metropolitan Library	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.20	\$ 2.20
Grandview Heights Public Library	4.70	4.70	4.70	4.70	4.70	4.70
Delaware County District Library	0.24	0.19	0.18	0.15	0.12	0.09
Metropolitan Park District	0.65	0.65	0.65	0.65	0.65	0.65
New Albany-Plain Park District**	-	0.75	0.75	0.75	1.27	1.87
Upper Arlington Public Library	1.00	1.00	1.00	2.00	2.00	2.00
Westerville Public Library***	-	-	-	0.80	0.80	0.80
Worthington Public Library	2.20	2.20	2.20	2.20	2.20	2.20

** Effective 2000

*** Effective 2002

FRANKLIN COUNTY, OHIO
Property Tax Levies - Voted and Unvoted
(Per \$1,000 of Assessed Value)
December 31, 2004

Table 8

	<u>Full Tax Rate</u>	<u>Effective Rate Res/Agr</u>	<u>Effective Rate Com/Ind</u>	<u>Year of Election</u>	<u>Beginning Year of Collection</u>	<u>Final Year of Collection</u>
General Fund	\$ 1.47	\$1.470000	\$1.470000	Unvoted		
Children Services	1.90	1.890123	1.900000	2004	2005	2014
Children Services	3.15	2.368182	2.742868	1999	2000	2009
ADAMH Board	2.20	1.499168	1.842695	1996	1997	2006
MR & DD	1.00	0.288955	0.422900	1977	1978	Indefinite
MR & DD	0.65	0.272491	0.380316	1982	1983	Indefinite
MR & DD	3.50	3.057617	3.335517	2002	2003	2012
MR & DD	2.32	1.735315	2.007159	1998	1999	2008
Zoological Park	0.75	0.507906	0.628191	1995	1996	2005
Office on Aging	<u>0.85</u>	<u>0.742564</u>	<u>0.810054</u>	2002	2003	2007
Total	<u>\$ 17.79</u>	<u>\$13.832321</u>	<u>\$15.539700</u>			

Source: Franklin County Auditor's Office. Tax rates displayed are effective in calendar year 2004 to be collected in 2005.

FRANKLIN COUNTY, OHIO
 Property Taxes on a \$100,000
 Owner-Occupied Home or a Business
 City of Columbus / Columbus School District
 December 31, 2004

Table 9

Real estate taxes help finance your school district, your city, village or township, your public library, your parks and zoo, and various County services. In the example below, if your home or business has an appraised value of \$100,000 located in the City of Columbus and the Columbus City School District, this is how the taxes were distributed in 2004.

<u>Tax Recipient</u>	<u>Home</u>	<u>Business</u>
Columbus City Schools	\$ 891.32	\$ 1,218.73
Board of MR&DD	164.83	191.94
Children Services	95.98	114.44
City of Columbus	96.16	98.91
ADAMH Board	46.15	57.55
County General Fund	45.02	46.31
Columbus Public Library	27.20	38.08
Office on Aging	22.86	25.30
Zoological Park	15.64	19.62
Metro Parks	15.04	17.68
Total	<u>\$ 1,420.20</u>	<u>\$ 1,828.56</u>

FRANKLIN COUNTY, OHIO

Table 10

Principal Property Taxpayers

December 31, 2004

(Amounts in 000's)

	Assessed Valuation	Percent of Total
Public utilities:		
1. Columbus Southern Power Company	\$ 408,431	1.62 %
2. Ohio Bell Telephone Company	182,102	0.72 %
3. Columbia Gas of Ohio Inc.	58,720	0.23 %
4. New Par	53,199	0.21 %
Real estate:		
1. Nationwide Mutual Insurance Company	99,804	0.40 %
2. Huntington Center Associates	58,450	0.23 %
3. Distribution Land Corp.	53,653	0.21 %
4. Duke Realty LP	48,423	0.19 %
5. New Albany Company	41,075	0.16 %
6. American Electric Power	25,646	0.10 %
7. Equitable Life Assurance	24,815	0.10 %
8. Eastrich No. 167 Corp.	23,870	0.09 %
9. M/I Homes of Central Ohio	22,875	0.09 %
10. Bank One Management Corp.	20,680	0.08 %
Tangible personal property:		
1. Anheuser Busch Inc.	79,074	0.31 %
2. Abbott Laboratories	37,509	0.15 %
3. Roxane Laboratories Inc.	30,675	0.12 %
4. Kroger Company	29,700	0.12 %
5. Time Warner Entertainment Company LP	28,277	0.11 %
6. Amerisourcebergen Drug Corp.	26,150	0.10 %
7. WalMart Stores East, LP	25,510	0.10 %
8. Medco Health Solutions of Columbus	24,947	0.10 %
9. Sears Roebuck & Company	20,149	0.08 %
10. Lucent Technologies Inc.	19,508	0.08 %
All others:	23,789,438	94.28 %
Total	\$ 25,232,680	100.00 %

Source: Franklin County Auditor's Office.

FRANKLIN COUNTY, OHIO
 Other Major General Fund Revenue Sources
 Last Ten Fiscal Years
 (Amounts in 000's)

Table 11

County sales tax:

The County imposed a one-half percent sales tax effective September 1, 1985. The sales tax may be repealed if a majority of voters approve the repeal at a general election. The question of repeal must be placed on the ballot by a petition signed by qualified voters equal in number to 10% of those voting for governor in the last gubernatorial election. No such petition has been filed with the County Board of Elections.

Fiscal Year	Amount
1995	\$ 60,690
1996	63,684
1997	68,650
1998	72,262
1999	79,030
2000	82,901
2001	81,139
2002	79,423
2003	82,728
2004	85,718

Local government fund:

The Ohio local government fund was created by statute and is comprised of designated state revenues, which are distributed to each county and then allocated among the county and cities, villages and townships in the county on the basis of statutory formulas. The following table shows local government fund receipts for the County's General Fund.

Fiscal Year	Amount
1995	\$ 20,928
1996	21,701
1997	23,237
1998	25,210
1999	26,096
2000	27,852
2001	28,961
2002	26,913
2003	27,213
2004	25,593

Source: Franklin County Auditor's Office.

Note: Fiscal Year 2002 and later reflect accrual basis of accounting as reported in the government-wide financial statements.

FRANKLIN COUNTY, OHIO

Table 12

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years
(Amounts in 000's)

Fiscal Year	Principal ¹	Interest ¹	Total Debt Service ¹	Total General Governmental Expenditures ²	Ratio of Debt Service to General Governmental Expenditures
1995	\$ 4,575	\$ 8,624	\$ 13,199	\$ 532,701	2.48%
1996	5,110	8,808	13,918	567,450	2.45%
1997	4,165	8,155	12,320	556,464	2.21%
1998	5,914	9,570	15,484	657,763	2.35%
1999	5,937	8,779	14,716	739,513	1.99%
2000	5,645	7,851	13,496	766,737	1.76%
2001	6,055	7,583	13,638	866,358	1.57%
2002	5,992	7,269	13,261	888,885	1.49%
2003	7,448	7,264	14,712	922,698	1.59%
2004	7,532	6,419	13,951	968,584	1.44%

Notes: ¹ Includes all general obligation bond debt service other than debt supported by lease revenues or component units. Excludes payments made in 2003 to refunding bond agent for early redemption.

² Includes general, special revenue, debt service and capital projects funds of the primary government. Expenditures for 1995- 2003 have been restated to reflect reclassifications.

FRANKLIN COUNTY, OHIO

Table 13

Computation of Legal Debt Margin

December 31, 2004

(Amounts in 000's)

	<u>Total Debt Limit</u> ¹	<u>Total Unvoted Limit</u> ²
Total assessed property value 2004	\$ 25,232,680	\$ 25,232,680
Debt limit of assessed value	\$ 629,317 ¹	\$ 252,327 ²
Outstanding debt as of 12/31/04:		
General obligation bonds - Governmental Activities	126,874	126,874
Notes payable - Governmental Activities	2,912	2,912
General obligation bonds - Business-type Activities	6,678	6,678
Notes payable - Business-type Activities	<u>2,553</u>	<u>2,553</u>
Total outstanding debt as of 12/31/04	<u>139,017</u>	<u>139,017</u>
Exemptions:		
Undesignated debt service fund balance 12/31/04	29	29
Used for jail construction or renovation	19,763	19,763
Debt service paid by a political subdivision	870	870
Used for road or bridge construction	2,912	2,912
Used for construction of solid waste facilities	15,255	15,255
Self-supported debt	14,511	14,511
Used for acquisition of voting machines	<u>780</u>	<u>780</u>
Total exemptions	54,120	54,120
Net debt	<u>84,897</u>	<u>84,897</u>
Total legal debt margin	<u>\$ 544,420</u>	<u>\$ 167,430</u>

Notes: ¹ Debt limit is a total of 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.

² Debt limit is one percent of total assessed valuation.

FRANKLIN COUNTY, OHIO

Table 14

Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net Bonded Debt per Capita
Last Ten Fiscal Years
(Dollar Amounts in 000's)

<u>Tax Year</u>	<u>Population²</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Unreserved Debt Service Funds</u>
1995	1,016,094 ¹	\$ 16,055,248	\$ 159,300	\$ 528
1996	1,027,599 ¹	17,356,432	169,370	523
1997	1,042,011 ¹	17,916,289	187,730	721
1998	1,056,863 ¹	18,607,705	180,300	239
1999	1,067,993 ¹	21,032,111	172,755	117
2000	1,068,978 ¹	21,698,652	165,070	88
2001	1,088,445 ¹	22,111,413	157,000	1
2002	1,101,225 ¹	24,744,179	149,180	1
2003	1,114,159 ¹	24,771,631	142,230	30
2004	1,131,895 ¹	25,232,680	133,552	29

Sources: ¹ Mid-Ohio Regional Planning Commission.

² Population and Net Bonded Debt per Capita amounts are not in thousands.

(Continued on next page)

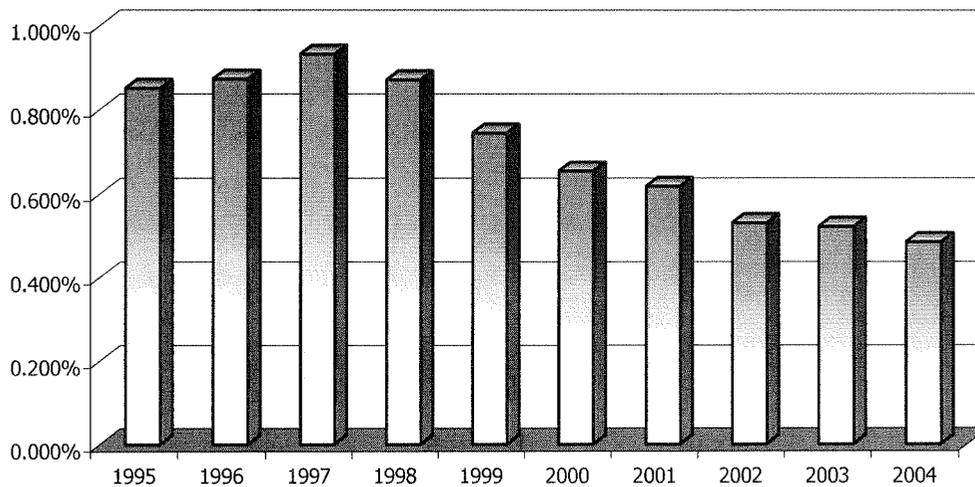
FRANKLIN COUNTY, OHIO

Table 14

Ratio of Net General Obligation Bonded Debt to Assessed Value and
 Net Bonded Debt per Capita
 Last Ten Fiscal Years
 (Dollar Amounts in 000's)

<u>Tax Year</u>	<u>Less Debt Supported by Enterprise Funds and Lease Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita²</u>
1995	\$ 22,005	\$ 136,767	0.852%	\$ 134.60
1996	17,175	151,672	0.874%	147.60
1997	19,815	167,194	0.933%	160.45
1998	17,825	162,236	0.872%	153.51
1999	15,830	156,808	0.746%	146.82
2000	22,865	142,117	0.655%	132.95
2001	20,200	136,799	0.619%	125.68
2002	17,680	131,499	0.531%	119.41
2003	12,759	129,441	0.523%	116.18
2004	10,978	122,545	0.486%	108.27

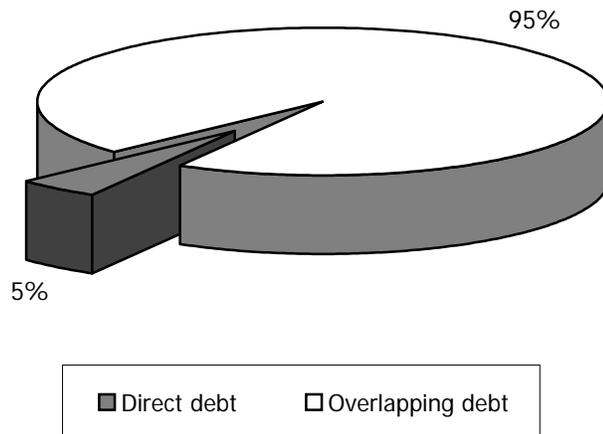
RATIO OF NET BONDED DEBT TO ASSESSED VALUE



FRANKLIN COUNTY, OHIO
 Computation of Direct and Overlapping Debt
 December 31, 2004
 (Amounts in 000's)

Table 15

Political Subdivision	General Obligation Debt	Percent Applicable to County ¹	Amount Applicable to County ¹	Percent of Total Debt
Direct debt:				
Franklin County	\$ 133,552	100.0%	\$ 133,552	4.8%
Entities wholly within County:				
Cities	78,226	100.0%	78,226	2.8%
Villages	35,502	100.0%	35,502	1.3%
Townships	5,677	100.0%	5,677	0.2%
School districts	517,651	100.0%	517,651	18.8%
Entities partially within County:				
Cities	1,498,359	95.7%	1,434,287	52.1%
Villages	6,362	87.6%	5,574	0.2%
Townships	3,230	87.4%	2,823	0.1%
School districts	789,343	68.0%	536,646	19.5%
Special district	6,330	77.4%	4,899	0.2%
Total overlapping debt	<u>2,940,680</u>	89.1%	<u>2,621,285</u>	95.2%
Total direct and overlapping debt	<u>\$ 3,074,232</u>	89.6%	<u>\$ 2,754,837</u>	100.0%



Source: Debt schedules submitted by political subdivisions to the Franklin County Budget Commission and Settlement Division.

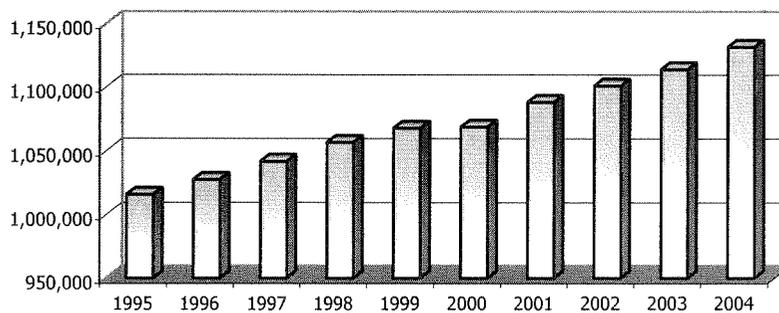
Note ¹: Some political subdivisions are not wholly located within the legal boundaries of Franklin County. For those entities, amount applicable to Franklin County is determined by dividing the assessed valuation of the Franklin County portion of the subdivision by the total assessed valuation. 2004 tax year valuations were used. Major entities partially within Franklin County include the cities of Columbus, Dublin, Pickerington, Reynoldsburg, and Westerville, along with their respective school districts.

FRANKLIN COUNTY, OHIO
Demographic Statistics and Unemployment Rates
Last Ten Years

Table 16

Year	Demographics				Average Unemployment Rates ⁴		
	Population ¹	Per Capita Income ²	Median Age ²	K-12 School Enrollment ³	Franklin County	State of Ohio	United States
1995	1,016,094	\$ 25,399	32.2	177,296	2.9%	4.8%	5.6%
1996	1,027,599	\$ 26,143	32.4	183,341	2.9%	4.9%	5.6%
1997	1,042,011	\$ 27,950	32.6	185,206	2.7%	4.6%	4.9%
1998	1,056,863	\$ 29,425	32.8	190,949	2.5%	4.3%	4.5%
1999	1,067,993	\$ 30,419	32.9	193,003	2.5%	4.3%	4.2%
2000	1,068,978	\$ 31,527	33.0	201,960	2.4%	4.1%	4.0%
2001	1,088,445	\$ 32,036	32.7	197,828	2.8%	4.3%	4.8%
2002	1,101,225	\$ 33,465	33.1	199,439	4.4%	5.7%	5.8%
2003	1,114,159	\$ 34,152	33.2	194,365	4.7%	6.0%	6.0%
2004	1,131,895	\$ 35,542	33.8	204,254	5.4%	6.1%	5.5%

POPULATION



Source: ¹ Estimates by Mid-Ohio Regional Planning Commission, except for 2000 which was provided by the U.S. Department of Commerce, Bureau of the Census.
² Woods & Poole Economics Inc.
³ Ohio Department of Education, Division of Information Management Services.
⁴ Ohio Bureau of Employment Services, Division of Research and Statistics.

FRANKLIN COUNTY, OHIO**Table 17**Twenty-Five Largest Employers
December 31, 2004

<u>Employer</u>	<u>Principal Business</u>	<u>Number of Employees</u>
1. State of Ohio	Government	26,037
2. The Ohio State University	Education	17,361
3. JP Morgan Chase & Co.	Finance	12,130
4. Nationwide	Finance	11,293
5. United States Government	Government	10,281
6. Ohio Health	Health Care	8,398
7. Columbus Public Schools	Education	8,024
8. City of Columbus	Government	7,919
9. Limited Brands	Trade	7,200
10. Franklin County	Government	6,218
11. Wal-Mart Stores, Inc.	Trade	6,100
12. Mount Carmel Health	Health Care	5,558
13. Kroger Co.	Trade	4,502
14. Wendy's International	Trade	4,500
15. American Electric Power	Utility	3,900
16. Huntington Bancshares, Inc.	Finance	3,500
17. SBC Ohio	Utility	3,000
18. Ross Products (division of Abbott Laboratories)	Manufacturing	2,800
19. Children's Hospital, Inc.	Health Care	2,706
20. Medco Health Solutions Inc.	Health Care	2,528
21. South-Western City Schools	Education	2,516
22. Battelle	Technology	2,368
23. Retail Ventures, Inc. (formerly Value City)	Trade	2,170
24a. Big Lots Inc.	Trade	2,100
24b. Discover Financial Services Inc.	Finance	2,100

Source: Business First, Book of Lists

FRANKLIN COUNTY, OHIO

Table 18

Miscellaneous Statistics

December 31, 2004

Form of government: Board of County Commissioners
County seat: Columbus, Ohio
Area: 543 square miles
Population: 1,131,895¹

Communication:³

Radio stations	26
Television stations	9
Daily newspapers	3

Commerce: ²	Establishments:
Services (excluding governments)	10,648
Trade	5,849
Finance, insurance and real estate	3,698
Health care and social assistance	2,756
Construction	1,980
Manufacturing	999
Transportation and utilities	748
Information	578
Arts, entertainment and recreation	347
Mining	29
Other	544
	28,176

Airports:³

- Port Columbus International
- Rickenbacker International Airport
- Five other commercial airports
- One commercial heliport

Medical facilities:³

Hospitals	17
Physicians	3,482

Higher education:⁶

- Public universities and colleges:
 - The Ohio State University
 - Columbus State Community College
- Nine private universities and colleges

Transportation:³

<u>Highways</u>	<u>Miles</u>
Interstates	118
U.S. routes	117
State routes	122

Professional sports teams:⁶

- Columbus Blue Jackets (NHL)
- Columbus Clippers (AAA Baseball)
- Columbus Crew (Major League Soccer)
- Columbus Destroyers (Arena Football League)
- Columbus Comets (NWFA)

Division of water and sewer operations:⁴

<u>Miles</u>
Water mains
Sanitary sewer lines

Tourist attractions:⁶

- Columbus Zoo
- Columbus Museum of Art
- Columbus Convention Center
- Ohio's Center of Science & Industry (COSI)
- Ohio Historical Center/Ohio Village
- Ohio Statehouse
- Nationwide Arena
- Santa Maria
- Franklin Park Conservatory & Botanical Garden
- Mott's Military Museum

Miles of county maintained roads:⁵ 288.4

Bridges:⁵

Total	421
Maintained by county	371

¹ Estimated by Mid-Ohio Regional Planning Commission.

² US Census Bureau.

³ Ohio Department of Development, Office of Strategic Research.

⁴ Office of the Franklin County Sanitary Engineer.

⁵ Office of the Franklin County Engineer.

⁶ Greater Columbus Chamber of Commerce.

FRANKLIN COUNTY, OHIO
Securities and Exchange Commission Rule 15c2-12
Compliance Information
December 31, 2004

Table 19

On October 30, 2003, the County issued \$59,820,000 in general obligation refunding bonds. The proceeds were used to refund a portion of the county's outstanding general obligation bonds. No other obligations have been sold from that date through the date of this letter, June 28, 2005. The following description of significant events is provided in compliance with the Rule for existing obligations outstanding at December 31, 2004.

1. There were no delinquencies of principal and/or interest payments.
2. There were no non-payment related defaults.
3. There have been no modifications to rights of the holders of the County's obligations.
4. There were no calls of the County's obligations outstanding during 2004.
5. The County did not defease any bonds during 2004.
6. There were no rating changes during 2004. The County maintains the highest long-term bond rating given by both Moody's Investors Services (Aaa) and the Standard & Poors Corporation (AAA).
7. There have been no adverse tax opinions or events affecting the tax-exempt status of any of the County's outstanding obligations.
8. There were no unscheduled draws on debt service reserves reflecting financial difficulties.
9. There were no unscheduled draws on credit enhancements reflecting financial difficulties.
10. There was no substitution of credit or liquidity providers, nor was there a failure to perform.
11. The County did not release, substitute or sell any property securing repayment of its obligations. The County has not secured any of its outstanding obligations with property.
12. The County will continue to provide all necessary annual information. The Comprehensive Annual Financial Report of Franklin County, Ohio, will be filed with the Municipal Securities Rulemaking Board and all nationally recognized municipal securities information repositories (NRMSIRs).



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