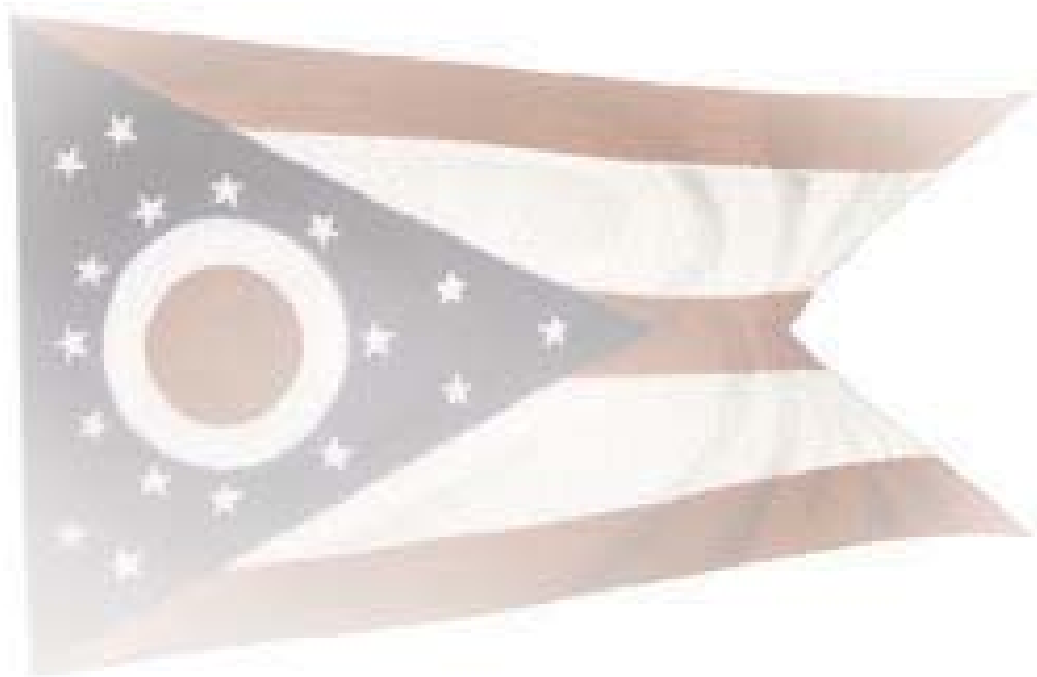


Ohio Department of Commerce

Annual Report 2004

For the Divisions of Financial Institutions, Liquor Control and State Fire Marshal



Ohio Department of Commerce
77 S. High St. 23rd Floor
Columbus, OH 43215-6123

Bob Taft
Governor

Lt. Governor Jennette Bradley
Director

www.com.state.oh.us



Dear Governor Bob Taft:

It is my pleasure to present to you the Fiscal Year 2004 Annual Report of the Ohio Department of Commerce.

As public servants in one of the state's chief regulatory agencies, the employees of the Ohio Department of Commerce (DOC) are proud to provide regulation, consumer protection and related services that strengthen the economy of Ohio.

As required by Ohio law, this Fiscal Year 2004 Annual Report is designed to provide you with data and other information relating to three Department of Commerce Divisions: Financial Institutions, Liquor Control and State Fire Marshal. The past year has brought significant achievement throughout our Department, including the three divisions that are the focus of this report.

The most recent figures show that the assets of state-chartered institutions supervised by the Department's Division of Financial Institutions have reached a record \$121.9 billion. Staff in the Division's Office of Consumer Affairs continued their efforts to combat abusive lending practices and provided education to residents of this state regarding borrowing and related financial topics.

The Division of Liquor Control transferred a record \$118 million to the state's General Revenue Fund to the benefit of Ohio taxpayers. The State Fire Marshal's office provided training to almost 11,000 emergency responders and participated in a three-state Southwest Regional Bio-terrorism exercise involving Ohio, Indiana and Kentucky.

We are proud of these achievements and look forward to providing the citizens of Ohio with exemplary service in the years ahead.



*Lieutenant Governor
Jennette Bradley,
Director*

Jennette Bradley

Lieutenant Governor Jennette Bradley
Director

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Financial Institutions

Fiscal Year 2004 Annual Report

The Division of Financial Institutions (DFI) regulates Ohio's state-chartered financial institutions and consumer finance companies. The Division charters depository institutions, licenses non-depository financial services, and conducts on-site examinations. Financial institutions include banks, savings and loans, savings banks and credit unions. Consumer finance organizations include check cashing services, check casher lenders, credit service organizations, insurance premium finance companies, mortgage brokers, pawnbrokers, precious metals dealers, second mortgage businesses, and small loan businesses. All examinations, supervision, and regulatory activities are performed by Division staff who specialize in the operations of each of the specific industries. The Division's Office of Consumer Affairs works to provide education to residents of this state regarding borrowing and related financial topics.

Bank Supervision

Industry consolidation continues to reduce the number of state-chartered banks from 108 as of June 30, 2003, to 106 as of June 30, 2004 -- a two percent decrease. Aggregate assets of state-chartered banks increased approximately 11 percent to \$102.6 billion as of year-end 2003.

Based on examination results, most state banks in Ohio are in sound financial condition with 87 percent rated "1"

or "2" at their last examination. The remaining 13 percent are rated "3" or "4," under close supervision, and predominantly operating under a regulatory agreement. There are no "5" rated banks, and no bank is in imminent danger of failure. In addition, the Division regulates two trust-only banks and 15 trust departments within state-chartered banks.

COMPOSITE RATINGS FOR STATE-CHARTERED BANKS

Rating	June 30, 2002		June 30, 2003		June 30, 2004	
	Num.	Pct.	Num.	Pct.	Num.	Pct.
Composite 1	30	26%	22	26%	23	22%
Composite 2	73	65%	76	65%	69	65%
Composite 3	10	9%	10	8%	12	11%
Composite 4	0	0	2	1%	2	2%
Composite 5	0	0	0	0	0	0
Total	113*	100%	110	100%	106	100%

*One *de novo* charter not rated.

With regard to supervisory actions, the Division entered into six informal Memorandums of Understanding and two formal Written Agreements with banks during the fiscal year.

During the past year, the Division adopted an examination program utilized by the Federal Deposit Insurance Corporation known as MERIT (Maximum Efficiency, Risk-Focused, Institution Targeted). The program is designed to significantly reduce the amount of on-site examination presence for highly rated, well managed banks and also utilizes various off-site surveillance data.

In April 2004, Ohio Bankers' Day was attended by senior officers and directors of state banks. A series of informal roundtables were conducted during the Summer of 2003.

The Division continues to support examiner education by combining resources with federal and other state agencies. The Division and the Federal Reserve Bank of Cleveland collaborated to sponsor a conference in Columbus.

Money transmission licenses are growing both in terms of electronic transmission and foreign transmission by immigrants sending money back to their home countries. The Division renewed 15 domestic and 19 foreign money transmitter licenses while also issuing three new domestic and five new foreign licenses. Finally, new application procedures were developed and implemented which include a review for compliance with federal money laundering and terrorist funding laws and regulations.

Banking Commission

The Banking Commission consists of the Deputy Superintendent for Banks, who serves as chairman, and six members appointed by the Governor with the advice and consent of the Senate. The Commission advises the Superintendent of Financial Institutions and the Deputy Superintendent for Banks on any matter they submit to it and confirms the annual schedule of assessments. Members are unpaid but are reimbursed for travel expenses. Current members of the Banking Commission are:

BANKING COMMISSION

Name	Affiliation	Term Expires	Representing
Michael O. Roark	Deputy Superintendent for Banks	Coincides with Appointment	Division of Financial Institutions
Richard R. Hollington, Jr.	Sky Financial Group, Bowling Green	January 31, 2005	Director of state-chartered bank
James R. Hubbard	Fifth Third Bank, Cincinnati	January 31, 2005	Executive officer of state-chartered bank
Charlotte W. Martin	Great Lakes Bankers' Bank, Gahanna	January 31, 2006	CEO/Executive officer of state-chartered bank Specialty bank
Zuheir Sofia	Sofia & Company, Columbus	January 31, 2006	Representative of Banking Industry
Marlene K. Barkheimer	Farmers State Bank, West Salem	January 31, 2007	CEO/Executive officer of state-chartered bank
Tiney M. McComb	Heartland BancCorp, Gahanna	January 31, 2007	CEO/Executive officer of state-chartered bank

Ohio-Chartered Banks - as of 12-31-2003 (000s omitted)

Bank Name	City	Total Assets
The Andover Bank	Andover	\$249,416
The Antwerp Exchange Bank Company	Antwerp	\$53,165
The Apple Creek Banking Company	Apple Creek	\$73,901
The Farmers & Merchants State Bank	Archbold	\$703,722
The Citizens Bank of Ashville, Ohio	Ashville	\$84,646
The Hocking Valley Bank	Athens	\$167,421
Sutton Bank	Attica	\$235,086
The Rockhold, Brown & Company Bank	Bainbridge	\$31,872
The Baltic State Bank	Baltic	\$24,128
The Bartlett Farmers Bank	Barlow	\$43,845
The Citizens Bank Company	Beverly	\$71,216
The Monitor Bank	Big Prairie	\$23,961
The First Bremen Bank	Bremen	\$270,198
The Farmers Citizens Bank	Bucyrus	\$149,890
The Farmers and Merchants Bank	Caldwell	\$62,148
Community First Bank & Trust	Celina	\$681,271
Anderson Bank Company	Cincinnati	\$55,122
Fifth Third Bank	Cincinnati	\$56,682,854
The North Side Bank and Trust Company	Cincinnati	\$390,058
The Provident Bank	Cincinnati	\$16,980,253
The Savings Bank	Circleville	\$197,541
The Clarksburg Commercial Bank	Clarksburg	\$17,361
ShoreBank, Cleveland	Cleveland	\$64,890
The Clyde Savings Bank Company	Clyde	\$88,474
The Peoples Bank Co.	Coldwater	\$252,833
First City Bank	Columbus	\$52,088
First Community Bank	Columbus	\$96,528
The Union Bank Company	Columbus Grove	\$497,400
The Cortland Savings and Banking Company	Cortland	\$433,355
Ohio Heritage Bank	Coshocton	\$171,264
THE COMMUNITY BANK	Crooksville	\$127,428
The Custar State Bank	Custar	\$52,057
The State Bank and Trust Company	Defiance	\$407,394
The Citizens Bank of DeGraff	DeGraff	\$28,730
The Commercial Bank	Delphos	\$207,733
The Corn City State Bank	Deshler	\$48,931
The Edon State Bank Company, of Edon, Ohio	Edon	\$63,738

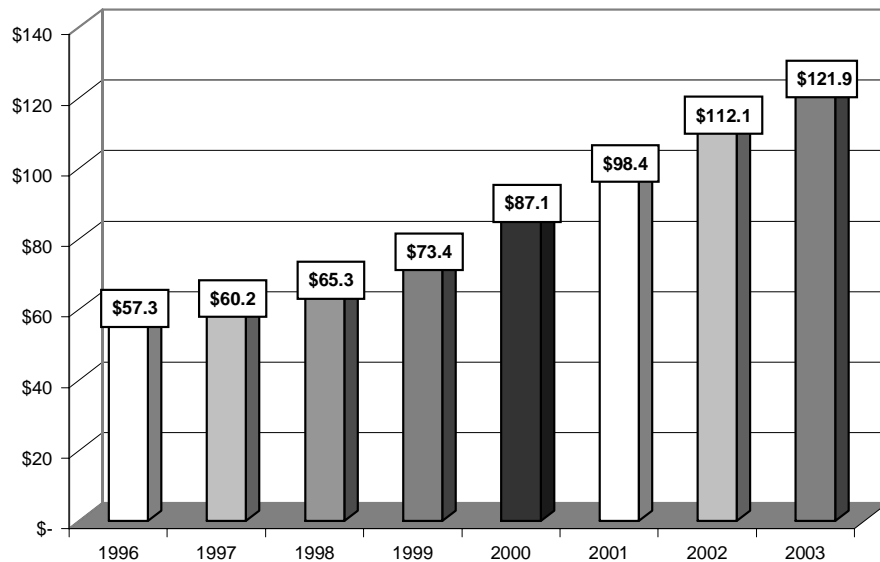
Ohio-Chartered Banks - as of 12-31-2003 (000s omitted)

Bank Name	City	Total Assets
The Fort Jennings State Bank	Fort Jennings	\$90,423
The Croghan Colonial Bank	Fremont	\$402,463
Great Lakes Bankers Bank	Gahanna	\$43,555
Heartland Bank	Gahanna	\$345,325
The Ohio Valley Bank Company	Gallipolis	\$696,410
The Peoples Bank	Gambier	\$37,958
The Genoa Banking Company	Genoa	\$167,847
The Hamler State Bank	Hamler	\$50,877
The Hicksville Bank	Hicksville	\$137,310
The Citizens Bank of Higginsport, Ohio	Higginsport	\$105,175
Independence Bank	Independence	\$148,547
Ohio River Bank	Ironton	\$76,534
Oak Hill Banks	Jackson	\$928,151
The Killbuck Savings Bank Company	Killbuck	\$284,714
Miami Valley Bank	Lakeview	\$140,983
The Glouster Community Bank	Lancaster	\$117,418
The Salt Creek Valley Bank	Laurelville	\$34,097
The Delaware County Bank and Trust Company	Lewis Center	\$551,180
The Citizens Bank of Logan, Ohio	Logan	\$161,959
The Citizens Bank of London	London	\$56,453
Buckeye Community Bank	Lorain	\$74,825
The Exchange Bank	Luckey	\$101,825
The Bank of Magnolia Company	Magnolia	\$58,614
The Richland Trust Company	Mansfield	\$577,540
The Marblehead Bank	Marblehead	\$26,358
Settlers Bank	Marietta	\$63,005
The Fahey Banking Company	Marion	\$183,393
The Marion Bank	Marion	\$110,851
The Citizens Savings Bank	Martins Ferry	\$266,582
Western Reserve Bank	Medina	\$104,280
The Metamora State Bank	Metamora	\$45,090
Farmers & Merchants Bank	Miamisburg	\$75,609
The Middlefield Banking Company	Middlefield	\$261,830
CenterBank	Milford	\$37,520
The Commercial and Savings Bank of Millersburg, Oh	Millersburg	\$305,578
Minster Bank	Minster	\$222,528
The Mt. Victory State Bank	Mount Victory	\$11,688

Ohio-Chartered Banks - as of 12-31-2003 (000s omitted) continued

Bank Name	City	Total Assets
The Henry County Bank	Napoleon	\$190,387
The Farmers State Bank of New Madison, Ohio	New Madison	\$94,150
The Peoples Savings Bank	New Matamoras	\$37,292
The Farmers State Bank of New Washington, Ohio	New Washington	\$140,487
The Old Fort Banking Company	Old Fort	\$293,870
Osgood State Bank	Osgood	\$94,671
The Ottoville Bank Company	Ottoville	\$57,619
The Pataskala Banking Company	Pataskala	\$34,808
The Farmers Bank and Savings Company	Pomeroy	\$144,320
Portage Community Bank	Ravenna	\$105,489
The Republic Banking Company	Republic	\$26,535
The Richwood Banking Company	Richwood	\$153,001
Sky Bank	Salineville	\$11,844,146
The Citizens Banking Company	Sandusky	\$498,201
The Sherwood State Bank	Sherwood	\$33,989
Commodore Bank	Somerset	\$60,465
The Farmers Savings Bank	Spencer	\$210,875
First Safety Bank	St. Bernard	\$52,226
The St. Henry Bank	St. Henry	\$152,817
First Bank of Ohio	Tiffin	\$113,880
The Commercial Savings Bank	Upper Sandusky	\$273,444
Savings Bank and Trust	Wadsworth	\$381,878
The Waterford Commercial and Savings Bank	Waterford	\$28,157
The Milton Banking Company	Wellston	\$68,468
The Twin Valley Bank	West Alexandria	\$33,325
The First State Bank of West Manchester	West Manchester	\$15,139
The Union Banking Company	West Mansfield	\$85,819
Farmers State Bank	West Salem	\$63,037
The First State Bank of Adams County	Winchester	\$118,721
The Guernsey Bank	Worthington	\$58,288
Spring Valley Bank	Wyoming	\$48,879
North Valley Bank	Zanesville	\$105,362
		\$102,566,158

**Total Assets Depository Institutions
As of 12-31 (In Billions)**



** Years indicated are Calendar Years*

SUMMARY OF INSTITUTIONS REGULATED

Type of Institution	FY 01	FY 02	FY 03	FY 04
<u>Depository Institutions</u>				
Banks	118	114	108	106
Trust Only Banks	2	2	2	2
Credit Unions	265	261	248	234
Savings and Loan Associations	46	41	36	36
Savings Banks	26	25	27	27
Total Depository Institutions	457	443	421	405
<u>Money Transmitters</u>				
Domestic Money Transmitters	15	17	16	18
Foreign Money Transmitters	17	18	19	24
Total Money Transmitters	32	35	35	42
<u>Non-Depository Financial Services Organizations</u>				
Check Cashers	807	903	1,060	1,294
Check Casher Lenders	717	816	983	1,209
Credit Service Organizations	3	5	5	5
Insurance Premium Finance Lenders	47	47	52	51
Mortgage Brokers	1,429	1,543	2,021	2,107
Mortgage Broker Licensed Loan Officers	N/A	4,960	7,444	7,715
Mortgage Loan Registrants	3,281	2,733	2,435	2,428
Pawnbrokers	192	177	173	165
Precious Metals Dealers	24	23	21	20
Small Loan Licensees	54	65	80	83
Total Non-Depository Licensees	6,554	11,272	14,274	14,744
Total Regulated	7,043	11,750	14,730	15,191

Credit Union Supervision

During Fiscal Year 2004, the total number of credit unions regulated declined from 248 as of June 30, 2003 to 234 as of June 30, 2004 -- a six percent decrease, which is primarily a result of mergers. Aggregate assets of state-chartered credit unions increased approximately six percent to \$8.5 billion as of year-end 2003.

Examination results continue to indicate that the majority of Ohio's state-chartered credit unions are in sound financial condition. The latest examinations reflect Strong or Satisfactory ratings for 75 percent of the total. All credit unions with Composite "3" ratings are under varying levels of supervision. The 12 Composite "4" credit unions have aggregate assets of \$62 million, less than one percent of the more than \$8.4 billion in credit union assets regulated by the Division. The net worth ratios of the Composite "4"

institutions range from 4.42 percent to 52.46 percent. Each Composite "4" institution is being closely monitored through periodic status reports, visitations, or formal supervisory actions, and the likelihood of further deterioration is remote.

There were 6 formal supervisory agreements against credit unions at the close of the fiscal year.

The Division continues to emphasize outreach with the credit union movement. In April 2004, the Superintendent and Deputy Superintendent attended the Ohio Credit Union League's Annual Conference held in Cincinnati, Ohio, where they participated in a regulatory discussion panel which included both federal and state regulatory agencies. Division participants also attended the Credit Union League's annual Governmental Affairs Conference.

Credit Union Council

The Credit Union Council consists of the Deputy Superintendent for Credit Unions, who serves as chairman, and six members appointed by the Governor with the advise and consent of the Senate. The Council advises the Superintendent and the Deputy Superintendent for Credit Unions on any matters they submit related to credit union laws and rules. Members are unpaid but are reimbursed for travel expenses. Current members of the Council are:

CREDIT UNION COUNCIL

Name	Affiliation	Term Expires	Representing
Kenneth A. Roberts	Acting Deputy Superintendent for Credit Unions	Coincides with Appointment	Division of Financial Institutions
Patrick McGrady, CEO	Toledo Area Community Credit Union	September 22, 2004	Executive officer of federally insured, state-chartered credit union, over \$5 million
Deanna K. Meyer, CEO	Ohio Valley Community Credit Union	September 22, 2004	Executive officer of federally insured, state-chartered credit union, over \$5 million
Julianne Bruzina, Manager	St. James Parish Credit Union, Inc.	September 22, 2005	Executive officer of federally insured, state-chartered credit union less than \$5 million
John Lattanzi, Director	Credit Union One, Inc.	September 22, 2005	Representative of Credit Union Industry State-chartered, privately insured credit union
Thomas L. Furrey, CEO	Western Credit Union, Inc.	September 22, 2006	Executive officer of federally insured, state-chartered credit union, over \$5 million
Linda M. Williams, Manager	Akron Firefighters' Credit Union, Inc.	September 22, 2006	Executive officer of privately insured, state-chartered credit union, over \$5 million

COMPOSITE RATINGS FOR STATE-CHARTERED CREDIT UNIONS

<i>Rating</i>	<i>June 30, 2002</i>		<i>June 30, 2003</i>		<i>June 30, 2004</i>	
	Num.	Pct.	Num.	Pct.	Num.	Pct.
Composite 1	59	23%	51	21%	50	21%
Composite 2	132	51%	130	52%	126	54%
Composite 3	57	22%	55	22%	46	20%
Composite 4	13	5%	12	5%	12	5%
Composite 5	0	0%	0	0%	0	0%
Total	261	100%	248	100%	234	100%

Ohio-Chartered Credit Unions - as of 12-31-2003 (000s omitted) continued

Credit Union Name	City	Total Assets
Akron Firefighters' Credit Union, Inc.	Akron	\$13,584
Akron Municipal Employee's Credit Union, Inc.	Akron	\$5,133
Akron Police Department Credit Union, Inc.	Akron	\$10,723
Akron Teachers' Credit Union, Inc.	Akron	\$59,906
Beacon Credit Union, Inc.	Akron	\$2,449
Buckeye State Credit Union, Inc.	Akron	\$64,560
FirstEnergy Family Credit Union, Inc.	Akron	\$39,849
Goodyear Employees Credit Union, Inc.	Akron	\$4,394
North East Catholic Credit Union, Inc.	Akron	\$178
TeleCommunity Credit Union, Inc.	Akron	\$33,034
Transue & Williams Employees Credit Union, Inc.	Alliance	\$7,448
Ashtabula County School Employees Credit Union, Inc.	Ashtabula	\$49,746
Lighthouse Community Credit Union, Inc.	Ashtabula	\$6,800
Hocking Valley Credit Union, Inc.	Athens	\$12,946
Ohio University Credit Union, Inc.	Athens	\$158,036
Lakeshore Community Credit Union, Inc.	Avon Lake	\$17,077
The Catholic Credit Union, Inc.	Avon Lake	\$8,722
Sharefax Credit Union, Inc.	Batavia	\$167,883
A/C Credit Union, Inc.	Bath	\$10,618
Bedford School Employees Credit Union, Inc.	Bedford	\$6,067
Polish Combatants Credit Union, Inc.	Bedford	\$105
Cleveland Coca-Cola Bottling Employees' Credit Union, Inc.	Bedford Heights	\$144
Riverview Credit Union, Inc.	Belpre	\$25,777

Ohio-Chartered Credit Unions - as of 12-31-2003 (000s omitted) continued

Credit Union Name	City	Total Assets
Brecksville School Employees Credit Union, Inc.	Broadview Heights	\$5,207
Assumption Parish, Cleveland Credit Union, Inc.	Brook Park	\$813
Brooklyn School Employees Credit Union, Inc.	Brooklyn	\$1,409
Geauga Credit Union, Inc.	Burton	\$18,822
Caldwell CGB Employees Credit Union, Inc.	Caldwell	\$1,678
Southeastern Ohio Credit Union, Inc.	Cambridge	\$11,651
Tri-County Credit Union, Inc.	Canfield	\$14,552
Canton Police and Firemen's Credit Union, Inc.	Canton	\$6,780
Golden Circle Credit Union, Inc.	Canton	\$73,669
Sugardale Employees Credit Union, Inc.	Canton	\$3,223
Kyger Creek Credit Union, Inc.	Cheshire	\$11,624
Homeland Credit Union, Inc.	Chillicothe	\$256,229
Alliance Credit Union, Incorporated	Cincinnati	\$8,011
Cincinnati Central Credit Union, Inc.	Cincinnati	\$65,255
Cincinnati Big Four Railway Credit Union, Inc.	Cincinnati	\$1,905
CINCO Family Financial Center Credit Union, Inc.	Cincinnati	\$113,547
Communicating Arts Credit Union	Cincinnati	\$41,372
Deca Credit Union, Inc.	Cincinnati	\$5,154
Good Samaritan Employees Credit Union, Inc.	Cincinnati	\$1,910
Greater Cincinnati Credit Union, Inc.	Cincinnati	\$74,983
Greater Visions Credit Union	Cincinnati	\$2,623
Greenhills Credit Union, Inc.	Cincinnati	\$6,343
Hamilton County School Employees Credit Union, Inc.	Cincinnati	\$21,174
Heekin Can Employees Credit Union, Inc.	Cincinnati	\$963
Kemba Credit Union, Inc.	Cincinnati	\$225,725
New Horizons Credit Union, Inc.	Cincinnati	\$49,541
Princeton Employees Credit Union, Inc.	Cincinnati	\$6,518
St. James Parish Credit Union, Inc.	Cincinnati	\$4,661
The Cincinnati Postal Employees Credit Union, Inc.	Cincinnati	\$39,844
The Tool Steel Credit Union, Inc.	Cincinnati	\$6,986
UPS Credit Union, Inc.	Cincinnati	\$4,900
Valley Council Credit Union, Inc.	Cincinnati	\$3,119
West Ohio United Methodist Credit Union, Inc.	Cincinnati	\$13,292
Antioch Credit Union, Inc.	Cleveland	\$2,359
Avon Avenue Baptist Church Credit Union	Cleveland	\$62
Civil Service Employees' Association Credit Union	Cleveland	\$4,809
Cory Methodist Church Credit Union, Inc.	Cleveland	\$3,534

Ohio-Chartered Credit Unions - as of 12-31-2003 (000s omitted) continued

Credit Union Name	City	Total Assets
E L L Credit Union, Inc.	Cleveland	\$1,078
Faith Community United Credit Union, Inc.	Cleveland	\$8,650
Fellowship Church Credit Union, Inc.	Cleveland	\$78
Gethsemane Baptist Church Credit Union	Cleveland	\$168
Greater Cleveland Fire Fighters Credit Union, Inc.	Cleveland	\$98,345
Lane Metropolitan C.M.E. Credit Union, Inc.	Cleveland	\$251
Nickel Plate Credit Union, Inc.	Cleveland	\$1,104
NYC Mercury Credit Union, Inc.	Cleveland	\$1,600
Ohio Teamsters Credit Union, Inc.	Cleveland	\$14,310
Plain Dealer Credit Union, Inc.	Cleveland	\$19,205
Shiloh Credit Union, Inc.	Cleveland	\$2,164
St. Paul A M E Zion Church Credit Union, Inc.	Cleveland	\$301
Taupa Lithuanian Credit Union, Inc.	Cleveland	\$19,578
The Cleveland Police Credit Union, Inc.	Cleveland	\$31,903
The Cleveland Postal Employees Credit Union, Inc.	Cleveland	\$39,146
The Ohio Educational Credit Union, Inc.	Cleveland	\$103,463
The Telephone Credit Union, Inc.	Cleveland	\$83,722
U.F.C.W. Union Local 880 Credit Union, Inc.	Cleveland	\$13,501
Zion Hill Baptist Church Credit Union, Inc.	Cleveland	\$256
Cleveland Heights Teachers Credit Union, Inc.	Cleveland Heights	\$9,876
Clyde-Findlay Area Credit Union, Inc.	Clyde	\$83,041
First Choice Credit Union, Inc.	Coldwater	\$7,369
Burgess & Niple Employees Credit Union, Inc.	Columbus	\$3,170
Central Ohio Community Credit Union, Inc.	Columbus	\$2,186
Central Ohio Teamsters Credit Union, Inc.	Columbus	\$8,477
Columbus Postal Employee Credit Union, Inc.	Columbus	\$8,743
CORE ONE CREDIT UNION, INC.	Columbus	\$137,469
Credit Union of Ohio Inc.	Columbus	\$78,154
First A.M.E. Zion Credit Union, Inc.	Columbus	\$125
Grange Mutual Employees Credit Union, Inc.	Columbus	\$5,981
KEMBA Financial Credit Union, Inc.	Columbus	\$203,203
Members First Credit Union, Inc.	Columbus	\$36,858
MidState Educators Credit Union, Inc.	Columbus	\$69,984
Motorists Insurance Employees Credit Union, Inc.	Columbus	\$3,407
OhioHealth Credit Union, Inc.	Columbus	\$26,913
Producers Employees' Credit Union, Inc.	Columbus	\$207
State Transportation Employees Credit Union, Inc.	Columbus	\$30,031

Ohio-Chartered Credit Unions - as of 12-31-2003 (000s omitted) continued

Credit Union Name	City	Total Assets
T E A Credit Union, Inc.	Columbus	\$810
Telhio Credit Union, Inc.	Columbus	\$390,849
The Columbus Federal Employees Credit Union, Inc.	Columbus	\$6,188
Western Credit Union, Inc.	Columbus	\$52,438
Whitehall Credit Union, Inc.	Columbus	\$17,532
Cuyahoga Falls Municipal Employees Credit Union, Inc.	Cuyahoga Falls	\$412
Falls Catholic Credit Union, Inc.	Cuyahoga Falls	\$20,952
CODE Credit Union	Dayton	\$61,849
Day-Met Credit Union, Inc.	Dayton	\$92,167
Freedom First Credit Union, Inc.	Dayton	\$15,652
Globe Industries Employees' Credit Union, Inc.	Dayton	\$2,676
Hewitt Employees Credit Union, Inc.	Dayton	\$1,633
Montgomery County Credit Union, Inc.	Dayton	\$26,537
The Dayton Postal Employees Credit Union, Inc.	Dayton	\$8,911
Universal 1 Credit Union, Inc.	Dayton	\$272,011
Wright-Dunbar Area Credit Union, Inc.	Dayton	\$494
Tuscarawas Schools Credit Union, Inc.	Dover	\$10,322
Community Star Credit Union, Inc.	Elyria	\$23,840
Manatrol Division Employees Credit Union, Inc.	Elyria	\$783
School Employees (Lorain County) Credit Union, Inc.	Elyria	\$94,682
The Lorain County Postal Employees Credit Union, Inc.	Elyria	\$2,160
Eaton Family Credit Union, Inc.	Euclid	\$28,779
Reliance Mutual Credit Union, Inc.	Euclid	\$5,443
Wright-Patt Credit Union, Inc.	Fairborn	\$947,021
AurGroup Financial Credit Union, Inc.	Fairfield	\$136,108
Ohio Casualty Employees Credit Union, Inc.	Fairfield	\$3,637
Ohio Master Printers Credit Union, Inc.	Fairfield	\$2,440
Millstream Area Credit Union, Inc.	Findlay	\$18,979
The First Ohio Credit Union, Inc.	Fostoria	\$63,882
MidFirst Credit Union, Inc.	Franklin	\$202,088
POWERCO Credit Union, Inc.	Gahanna	\$31,714
Crawford Community Credit Union, Inc.	Galion	\$4,918
Union of Poles In America Credit Union	Garfield Heights	\$974
Garfield Community Credit Union, Inc.	Garfield Heights	\$24,756
Geneva Area School Employees Credit Union, Inc.	Geneva	\$1,858
Girard Credit Union, Inc.	Girard	\$1,920
Members Choice Credit Union, Inc.	Greenville	\$11,811

Ohio-Chartered Credit Union - as of 12-31-2003 (000s omitted) continued

Credit Union Name	City	Total Assets
Chaco Credit Union, Inc.	Hamilton	\$119,008
Hamilton Industrial Credit Union, Inc.	Hamilton	\$4,099
Ohio Valley Community Credit Union, Inc.	Hannibal	\$73,119
Cincinnati Employees Credit Union, Inc.	Harrison	\$17,660
Whitewater Community Credit Union, Inc.	Harrison	\$6,446
Sherwil Credit Union, Inc.	Hubbard	\$932
Kent Credit Union, Inc.	Kent	\$28,039
Kent State University Student Credit Union	Kent	\$2,637
Day Air Credit Union, Inc.	Kettering	\$124,624
Triangle Credit Union, Inc.	Kettering	\$21,444
Lakewood Schools Credit Union, Inc.	Lakewood	\$2,293
Latvian Cleveland Credit Union, Inc.	Lakewood	\$21,386
The Lakewood Fire Fighters Credit Union, Inc.	Lakewood	\$1,541
Member 1 Credit Union, Inc.	Lima	\$19,994
Utelco Credit Union, Inc.	Lima	\$6,158
Columbiana County School Employees Credit Union, Inc.	Lisbon	\$8,507
Health Associates Credit Union, Inc.	Lorain	\$8,071
Lorain School Employees Credit Union, Inc.	Lorain	\$11,637
Auto Worker's Credit Union, Inc.	Mansfield	\$49,926
Empire Affiliates Credit Union, Inc.	Mansfield	\$129,485
Gorman-Rupp & Associates Credit Union, Inc.	Mansfield	\$4,410
Tappan Credit Union, Inc.	Mansfield	\$14,880
Maple Heights School Employees Credit Union, Inc.	Maple Heights	\$647
OEM Credit Union, Inc.	Maple Heights	\$58
Marion Community Credit Union, Inc.	Marion	\$23,874
Scott Associates Credit Union, Inc.	Marysville	\$9,258
WECU Credit Union, Inc.	Marysville	\$21,750
540 I.B. E. W. Credit Union, Inc.	Massillon	\$700
Superior Savings Credit Union	Massillon	\$11,956
The Massillon Area Credit Union, Inc.	Massillon	\$29,444
Erie Shores Credit Union, Inc.	Maumee	\$115,023
Cardinal Community Credit Union, Inc.	Mentor	\$68,105
Local # 673 Credit Union, Inc.	Mentor	\$1,862
River Valley Credit Union, Inc.	Miamisburg	\$116,146
BSE Credit Union, Inc.	Middleburg Heights	\$13,721
Middletown Area Schools Credit Union	Middletown	\$7,162
Middletown Hospital Credit Union, Inc.	Middletown	\$5,900

Ohio-Chartered Credit Union - as of 12-31-2003 (000s omitted) continued

Credit Union Name	City	Total Assets
West Holmes School Employees Credit Union, Inc.	Millersburg	\$168
C E S Credit Union, Inc.	Mount Vernon	\$74,137
Knox County Community Credit Union, Inc.	Mt. Vernon	\$5,088
The Way Credit Union, Inc.	New Knoxville	\$9,871
Perry Credit Union, Inc.	New Lexington	\$387
Eastern Credit Union, Inc.	New Philadelphia	\$4,659
First Choice Community Credit Union, Inc.	Niles	\$13,512
Community One Credit Union of Ohio, Inc.	North Canton	\$42,175
Diebold Employees Federal Credit Union	North Canton	\$9,642
East Ohio United Methodist Conference Credit Union, Inc.	North Canton	\$25,593
ECO Food Dealers Association Credit Union, Inc.	North Canton	\$1,099
Credit Union One, Inc.	North Jackson	\$8,899
Dairypak Employees Credit Union, Inc.	Olmsted Falls	\$430
Bay Area Credit Union, Inc.	Oregon	\$39,867
St. Ignatius Oregon Credit Union, Inc.	Oregon	\$835
City of Painesville Employees Credit Union, Inc.	Painesville	\$14,270
L.E.O. Credit Union	Painesville	\$13,229
Our Lady Of Mercy Parish Credit Union, Inc.	Parma	\$358
PSE Credit Union, Inc.	Parma	\$89,937
Public Library Employees Credit Union, Inc.	Parma	\$973
Wiremen's Credit Union, Inc.	Parma	\$16,514
Orange School Employees Credit Union, Inc.	Pepper Pike	\$2,660
St. Rose Parish Perrysburg Credit Union, Inc.	Perrysburg	\$1,027
S. C. F. E. Credit Union, Inc.	Portsmouth	\$907
Hillcrest Community Credit Union, Inc.	Richmond Heights	\$37,525
Morton Salt Credit Union	Rittman	\$4,161
United Telephone Credit Union, Inc.	Rocky River	\$14,588
S. F. & M. Employees Credit Union, Inc.	Sandusky	\$886
Shaker Community Credit Union, Inc.	Shaker Heights	\$7,128
Starlight Baptist Church Credit Union, Inc.	Shaker Heights	\$252
Edison Credit Union, Inc.	Springfield	\$4,762
International Harvester Employee Credit Union, Inc.	Springfield	\$148,099
The Education Credit Union, Inc.	Springfield	\$14,143
The Springfield Credit Union, Inc.	Springfield	\$13,990
Community United Credit Union, Inc.	Strongsville	\$8,032
Champion Credit Union, Inc.	Toledo	\$42,161

Ohio-Chartered Credit Union - as of 12-31-2003 (000s omitted) continued

Credit Union Name	City	Total Assets
Co-op (Toledo) Credit Union, Inc.	Toledo	\$9,229
Great Lakes Credit Union, Inc.	Toledo	\$25,626
Maumee Valley Credit Union, Inc.	Toledo	\$23,124
Members Capital Credit Union, Inc.	Toledo	\$56,475
Nabisco Credit Union, Inc.	Toledo	\$259
The Toledo Postal Employees Credit Union, Inc.	Toledo	\$4,756
Toledo Area Community Credit Union, Inc.	Toledo	\$178,225
TPS Credit Union, Inc.	Toledo	\$35,740
HTM Area CUI	Troy	\$7,118
Grimes Credit Union	Urbana	\$1,989
Cuyahoga Works Credit Union, Inc.	Valleyview	\$3,112
C C C Van Wert Credit Union, Inc.	Van Wert	\$624
Abbey Credit Union, Inc.	Vandalia	\$31,436
CANDO Credit Union, Inc.	Walbridge	\$10,235
Seven Seventeen Credit Union, Inc.	Warren	\$523,847
The Trumbull County Postal Employees Credit Union, Inc.	Warren	\$1,548
Atomic Employees Credit Union, Inc.	Waverly	\$92,206
West Carrollton Parchment Employees Credit Union, Inc.	West Carrollton	\$284
Westlake Technology Credit Union, Inc.	Westlake	\$1,515
Western Reserve Credit Union, Inc.	Wickliffe	\$4,564
Wickliffe School Employees Credit Union, Inc.	Wickliffe	\$3,576
WES Credit Union, Inc.	Willoughby	\$10,944
All Employees Credit Union, Inc.	Willoughby Hills	\$7,825
OARDC Employees' Credit Union, Inc.	Wooster	\$733
Rexroth Employees Credit Union, Inc.	Wooster	\$1,876
Associated School Employees Credit Union, Inc.	Youngstown	\$56,582
Distinguished Service Credit Union, Inc.	Youngstown	\$1,878
Erie-Lackawanna Railroad Employee's Credit Union, Inc.	Youngstown	\$973
Ohio Edison - Penn Power Credit Union, Inc.	Youngstown	\$40,729
Youngstown City Schools Credit Union, Inc.	Youngstown	\$7,760
Youngstown Firefighter's Credit Union, Inc.	Youngstown	\$4,925
Genesis Employees Credit Union, Inc.	Zanesville	\$6,000
The Zanesville Armco Employees Credit Union, Inc.	Zanesville	\$2,720

\$8,494,968

Savings Institution Supervision

The number of state-chartered savings institutions stood at 63, the same number as on June 30, 2003. During Fiscal Year 2004, one new savings bank was chartered and a federal savings association converted to a state-chartered savings bank. Two savings institutions were merged into other institutions. Aggregate assets of state-chartered savings institutions declined by 12 percent in Calendar Year 2003 to \$10.8 billion.

Based on examination results, the vast majority of state-chartered savings institutions are in sound financial condition with 98 percent rated "1" or "2" at their last examination. The remaining two percent, which represents one institution, is rated "4" and is under close regulatory supervision.

An administrative rule was adopted to expand the commercial lending authority for savings banks pursuant to O.R.C. Section 1161.46. Savings and loans will also have this additional authority upon the completion of the administrative process for the adoption of rules pursuant to O.R.C. Section 1151.30. This increased lending authority makes the savings bank and savings and loan

charters more comparable to other federally chartered alternatives.

The Division continues to expand the usage of the centralized database for maintaining examination and supervision information for savings institutions.

Supervisory actions initiated by the Division against savings institutions included a board resolution, a supervisory directive, and a supervisory agreement. Additionally, a consent cease and desist order against a savings bank was terminated in March 2004.

The Division continues to work very closely with its federal counterparts. An Alternate Examination Program with the Office of Thrift Supervision was initiated for savings and loans, and the existing Alternate Examination Program with the Federal Deposit Insurance Corporation for savings banks was enhanced. Additionally, the Division is utilizing differing encryption tools as a means of exchanging electronic data with federal counterparts in a secure manner.

COMPOSITE RATINGS FOR STATE-CHARTERED SAVINGS INSTITUTIONS

<i>Rating</i>	<i>June 30, 2002</i>		<i>June 30, 2003</i>		<i>June 30, 2004</i>	
	Num.	Pct.	Num.	Pct.	Num.	Pct.
Composite 1	21	32%	20	31%	23	37%
Composite 2	37	56%	40	63%	38	61%
Composite 3	7	11%	2	3%	0	0%
Composite 4	1	2%	2	3%	1	2%
Composite 5	0	0	0	0	0	0
Total	66	100%	64	100%	62*	100%

*one *de novo* charter not rated.

Savings and Loan Associations and Savings Banks Board

The Savings and Loan Associations and Savings Banks Board consists of the Deputy Superintendent for Savings and Loan Associations and Savings Banks, who serves as Chairman, and six members appointed by the Governor with the advice and consent of the Senate. The Board advises the Superintendent of Financial Institutions and the Deputy Superintendent for Savings and Loan Associations and Savings Banks on any matter they submit to it and confirms the annual schedule of assessments. Members are unpaid but are reimbursed for travel expenses. Current members of the Board are:

SAVINGS AND LOAN ASSOCIATIONS AND SAVINGS BANKS BOARD

Name	Affiliation	Term Expires	Representing
Neil G. Danziger	Deputy Superintendent for Savings & Loans/Savings Banks	Coincides with Appointment	Division of Financial Institutions
Larry A. Caldwell	Camco Financial Corp., Cambridge	January 31, 2005	CEO of state-chartered savings bank
Neal E. Hubbard	Northern Savings and Loan Company, Elyria	January 31, 2005	CEO of state-chartered savings and loan association
Betty L. Kimbrew	Geauga Savings Bank, Newbury	January 31, 2006	CEO of state-chartered savings bank
Charles A. Thigpen	Third Federal Savings & Loan, Cleveland	January 31, 2006	Representative of Savings and Loan Industry
Robert L. Bollin	Winton Savings & Loan, Cincinnati	January 31, 2007	CEO of state-chartered savings and loan association
Howard T. Boyle, II	Home Savings Bank, Kent	January 31, 2007	CEO of state-chartered savings bank

Ohio-Chartered Savings Institutions - as of 12-31-2003 (000s omitted) continued

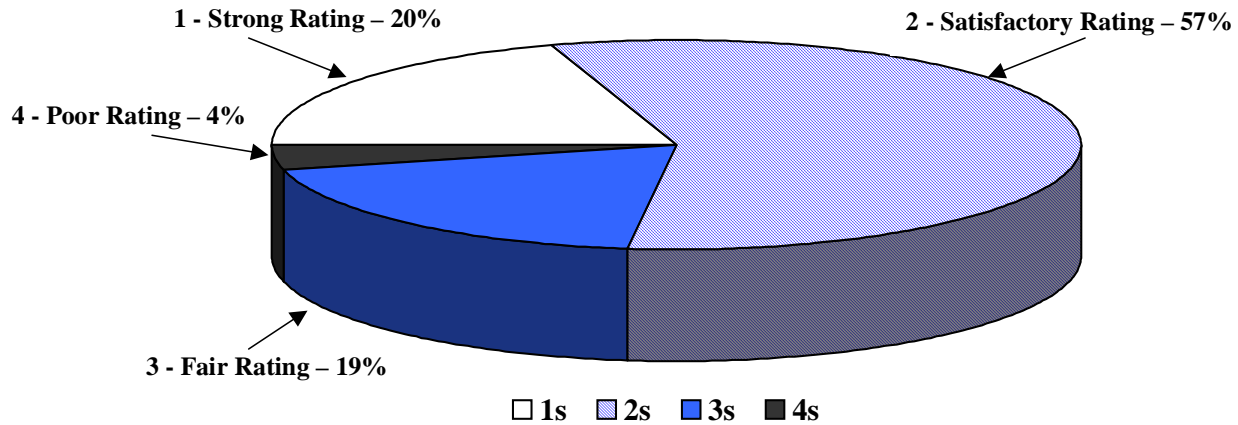
Savings Institution Name	City	Total Assets
North Akron Savings Bank	Akron	\$159,599
Belmont Savings Bank	Bellaire	\$252,380
Belpre Savings Bank	Belpre	\$55,869
The Bethel Building and Loan Company	Bethel	\$35,913
The Franklin Savings and Loan Company	Blue Ash	\$270,860
The Brookville Building and Savings Association	Brookville	\$39,397
The Peoples Savings and Loan Company	Bucyrus	\$113,931
The Equitable Savings and Loan Company	Cadiz	\$14,081
The Caldwell Savings and Loan Company	Caldwell	\$42,598
Advantage Bank	Cambridge	\$1,024,623
Mercer Savings Bank	Celina	\$135,131
Cheviot Savings Bank	Cheviot	\$317,399
The Cincinnatus Savings and Loan Company	Cheviot	\$77,774
Columbia Savings Bank	Cincinnati	\$58,572
Eagle Savings Bank	Cincinnati	\$66,083
Fort Washington Trust Company	Cincinnati	\$16,632
The Clifton Heights Savings and Loan Company	Cincinnati	\$14,348
The Mercantile Savings Bank	Cincinnati	\$67,408
The Mt. Washington Savings and Loan Company	Cincinnati	\$63,079
The New Foundation Loan and Building Company	Cincinnati	\$15,948
The Winton Savings and Loan Co.	Cincinnati	\$556,700
Union Savings Bank	Cincinnati	\$1,219,749
The Pioneer Savings Bank	Cleveland	\$25,568
Conneaut Savings Bank	Conneaut	\$81,791
The Home Loan Savings Bank	Coshocton	\$149,584
The Covington Savings and Loan Association	Covington	\$70,796
Falls Bank	Cuyahoga Falls	\$76,784
Valley Savings Bank	Cuyahoga Falls	\$108,202
United Midwest Savings Bank	DeGraff	\$207,366
The Northern Savings & Loan Company	Elyria	\$319,170
The Galion Building and Loan Bank	Galion	\$54,362
The Genoa Savings and Loan Company	Genoa	\$105,501
Indian Village Community Bank	Gnadenhutten	\$94,879
The Home Building and Loan Company of Greenfield	Greenfield	\$47,648
The Harrison Building and Loan Association	Harrison	\$238,030
Hicksville Building, Loan and Savings Bank	Hicksville	\$64,233
Home Savings Bank	Kent	\$102,505

Ohio-Chartered Savings Institutions - as of 12-31-2003 (000s omitted) continued

Savings Institution Name	City	Total Assets
The Home Savings and Loan Company of Kenton	Kenton	\$106,008
The Home Builders Association	Lynchburg	\$21,241
The Mechanics Savings Bank	Mansfield	\$310,504
The People's Building Loan and Savings Company	Mason	\$34,232
Miami Savings Bank	Miamitown	\$93,787
American Savings Bank	Middletown	\$31,907
Cottage Savings Bank	Montgomery	\$30,759
Nelsonville Home and Savings	Nelsonville	\$17,611
Geauga Savings Bank	Newbury	\$316,788
First Savings Bank	Norwood	\$24,973
Valley Central Savings Bank	Reading	\$81,496
Strasburg Savings Bank	Strasburg	\$39,527
Peoples Savings Bank of Troy	Troy	\$190,743
The Arlington Bank	Upper Arlington	\$162,879
The Peoples Savings Bank	Urbana	\$80,382
Versailles Savings and Loan Co.	Versailles	\$37,447
Home Savings Bank of Wapakoneta	Wapakoneta	\$28,789
Perpetual Savings Bank	Wellsville	\$64,711
The Peoples Savings and Loan Company	West Liberty	\$40,618
The Adams County Building and Loan Company	West Union	\$25,764
The Wilmington Savings Bank	Wilmington	\$151,111
Woodsfield Savings Bank	Woodsfield	\$31,764
The Wayne Savings Community Bank	Wooster	\$369,461
Prospect Bank	Worthington	\$186,860
The Home Savings and Loan Company of Youngstown	Youngstown	\$1,987,563
		\$10,831,418

Financial Institution Composite Ratings

For banks, savings institutions and credit unions
as of 6/30/2004



Consumer Finance

During Fiscal Year 2004, the consumer finance examiners conducted compliance examinations of 692 mortgage brokers, 124 check-casher lenders, 114 pawnbrokers, and 833 consumer finance companies. Refunds totaling \$273,067.75 were provided to Ohio consumers as a direct result of these examinations. The consumer finance office staff continues to support the efforts of the Division to provide regulation of the mortgage lending and brokering industries.

The number of licensed check-casher lenders increased by 22 percent in Fiscal Year 2004 to 1,209 offices. The number of registered mortgage brokers and their licensed loan officers both increased by four percent during the fiscal year to 2,107 offices with 7,715 licensed loan officers.

The consumer finance section continued to implement the amendments to the Ohio Mortgage Broker Act enacted in Senate Bill 76 in 2002. SB 76 required mortgage loan officers to obtain individual licenses for the first time.

In accordance to state law, the Division seeks to deny the loan officer license applications of persons convicted of theft, fraud, forgery, drug trafficking and other financial crimes. The Division conservatively estimates that over 500 loan officers with criminal records have left the industry as a result of the efforts of the consumer finance section.

In Fiscal Year 2004, the Division denied 187 loan officer license applications and revoked the licenses of ten loan officers. 17 revocation orders were appealed to various Ohio courts of common pleas and three appeals have been dismissed.

Office of Consumer Affairs

In Fiscal Year 2004, The Office of Consumer Affairs received 5,493 inquiries. A total of 1,545 were complaint inquiries that resulted in 732 formal complaints being filed. Of this total, 191 complaints were outside the jurisdiction of the Division and were referred to the proper authorities. A total of 634 complaints were resolved. The remaining 3,948 inquiries were resolved during the initial contact.

The Office collaborated with entities across the state to provide an extensive financial literacy outreach program for Ohio consumers. Some of the outreach efforts included:

- Educational seminars focusing on Abusive Lending practices and the Borrow Smart campaign.
- Publication of the “*Consumer Affairs Quarterly*”, an informational newsletter informing readers about key lending issues.
- Articles were published on Abusive lending practices and educated borrowing in Ohio magazines, newspapers and newsletters
- Participated in housing fairs and distributed educational materials to consumers about home buying, mortgage lending and investment scams

Formal monetary settlements were reached in five actions involving mortgage brokers and loan officers prior to the issuance of any hearing notice and one case was filed in the Montgomery County Court of Common Pleas.

During the past fiscal year, five complaints have involved loans that appeared to have been “covered loans” as defined in the Ohio Homeowners Equity Protection Act. Four of these complaints were closed after investigation determined that no violations of law had occurred, and one investigation remains open.

Checks totaling nearly \$32 million were mailed in December 2003 to 37,775 Ohioans eligible to share in the multi-state settlement with Household International. The settlement resolved an investigation by numerous states into allegations of unfair and deceptive mortgage lending practices by Household International through its subsidiaries Household and Beneficial Finance.

**Statements of Revenue and Expenses
For the Fiscal Years Ending June 30, 2003 and June 30, 2004
(Cents Omitted)**

Each institution regulated by the Division pays an annual assessment fee set for its industry. Institutions and individuals regulated may also pay fees for processing applications, for special examinations, or for other purposes. All revenue received is maintained in separate funds and expenses related to regulating each industry are paid out of their funds. Each fund is assessed quarterly to provide funds for general division operations (DFI) and for Department of Commerce (DOC) support services.

	<u>BANKS</u>	<u>BANKS</u>	<u>CONSUMER FINANCE</u>	<u>CONSUMER FINANCE</u>	<u>CREDIT UNIONS</u>	<u>CREDIT UNIONS</u>	<u>CREDIT UNIONS</u>	<u>SAVINGS INSTITUTIONS</u>
	6/30/2003	6/30/2004	6/30/2003	6/30/2004	6/30/2003	6/30/2004	6/30/2003	6/30/2004
INCOME								
Assessments/Supervisory Fees	5,675,767	5,097,065	-	-	2,319,527	1,955,523		2,619,328
Application/Other Fees	171,224	244,302	4,377,341	4,979,081	-	-		-
Miscellaneous	26,800	11,016	1,648	3,580	5,000	5,027		41,735
Sub-Total Income	5,873,791	5,352,384	4,378,989	4,982,661	2,324,527	1,960,550		2,661,063
Balance Carry Forward	3,887,043	4,335,123	5,890,203	4,608,362	1,325,361	1,363,696		234,339
Transfer to GRF	-	(2,000,000)	(3,200,000)	-	-	-		-
Total Income	9,760,835	7,687,506	7,069,192	9,591,023	3,649,888	3,324,246		2,895,402
EXPENSES								
Personnel	3,773,129	3,852,968	1,791,508	2,340,572	1,736,190	1,684,854		2,031,587
Maintenance	690,203	761,889	177,993	366,002	165,900	173,367		225,659
Equipment	151,652	8,243	80,568	25,127	21,949	1,938		47,708
DFI Assessment	460,073	771,604	264,250	370,015	206,901	344,188		237,938
DOC Assessment	364,499	426,042	154,491	194,780	156,108	192,077		196,943
Subsidies & Shared Revenue	-	-	27,450	25,988	-	-		-
Transfers & Other	-	3,600	48,599	61,963	-	-		-
Total Expenses	5,439,556	5,824,345	2,544,859	3,384,447	2,287,048	2,396,424		2,739,835
Cash Balance	4,321,278	1,863,161	4,524,334	6,206,576	1,362,840	927,822		155,568

Note: Any differences between the Cash Balance at the end of one year and the Balance Carry Forward the following year represent projected encumbrances which were not paid out.



Liquor Control

Fiscal Year 2004 Annual Report

The Division of Liquor Control is responsible for controlling the manufacture, distribution and sale of all alcoholic beverages in Ohio. The Division is the state's sole purchaser and distributor of spirituous liquor (intoxicating liquor containing more than 21 percent alcohol by volume). Spirituous liquor is sold through more than 400 private businesses, known as liquor agencies, which are contracted by the Division to serve as its sales agents. Revenues are used to help fund a variety of programs offered by various state agencies. Regulatory functions include the issuance of permits to the state's approximately 24,000 privately owned and operated manufacturers, distributors and retailers of alcoholic beverages. The Division also regulates industry compliance with the laws pertaining to the manufacture, importation and distribution of beer, wine and mixed beverages containing 21 percent or less alcohol by volume.

Division Reports Record High in Dollar Sales

Spirituous liquor sales reached a record \$552.8 million in Fiscal Year 2004. This was an increase of \$34 million, or 6.6 percent, compared to sales in Fiscal Year 2003. The increase in dollar sales is due to supplier price increases, a greater increase in retail sales as compared to discounted wholesale sales, and a slight increase in consumption.

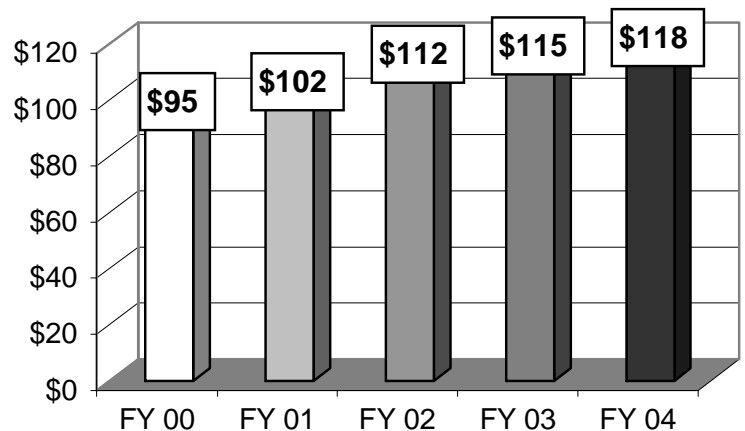
Gallonage sales of spirituous liquor in Fiscal Year 2004 totalled 9.2 million gallons, an increase of 365,845 gallons, or 4.1 percent, compared to Fiscal Year 2003.

General Revenue Fund Transfer Increases

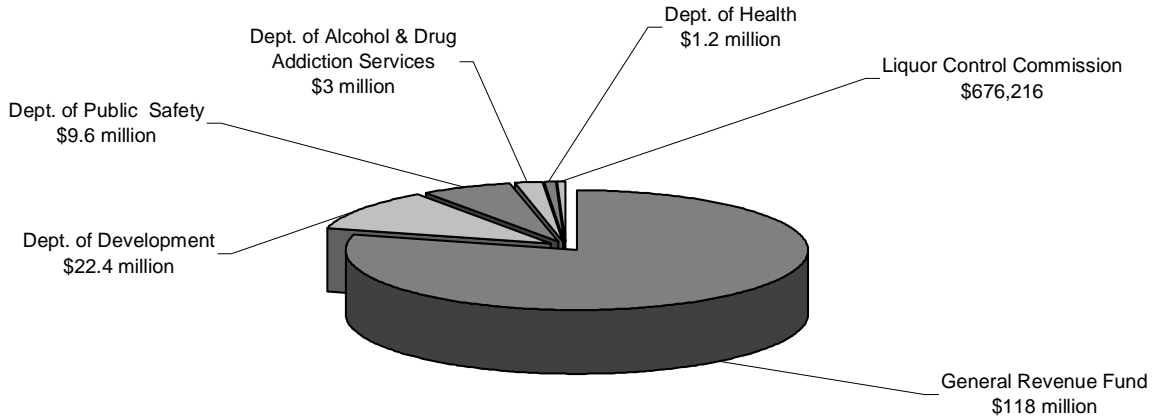
The main financial goal of the Division is to maintain profitability of liquor sales through efficient management and operations. This fiscal year, the Division exceeded its goal by contributing \$118 million to the state's General Revenue Fund (GRF). This year's GRF transfer was \$3 million more than last year's transfer, and the highest amount ever transferred by the Division.

In addition to the General Revenue Fund transfer, liquor revenues are also earmarked for the following other state

Annual GRF Transfer (In Millions)



Liquor Control Revenue Distribution Fiscal Year 2004



services: The Ohio Department of Development for the retirement of economic development bonds and Clean Ohio revitalization bonds; the Ohio Department of Public Safety for state liquor law enforcement; the Ohio Department of Alcohol and Drug Addiction Services to fund alcoholism treatment, education and prevention programs statewide; the Ohio Department of Health to fund the Alcohol Testing Program; and the Ohio Liquor Control Commission to fund its operations.

Liquor Permit Activity Increases

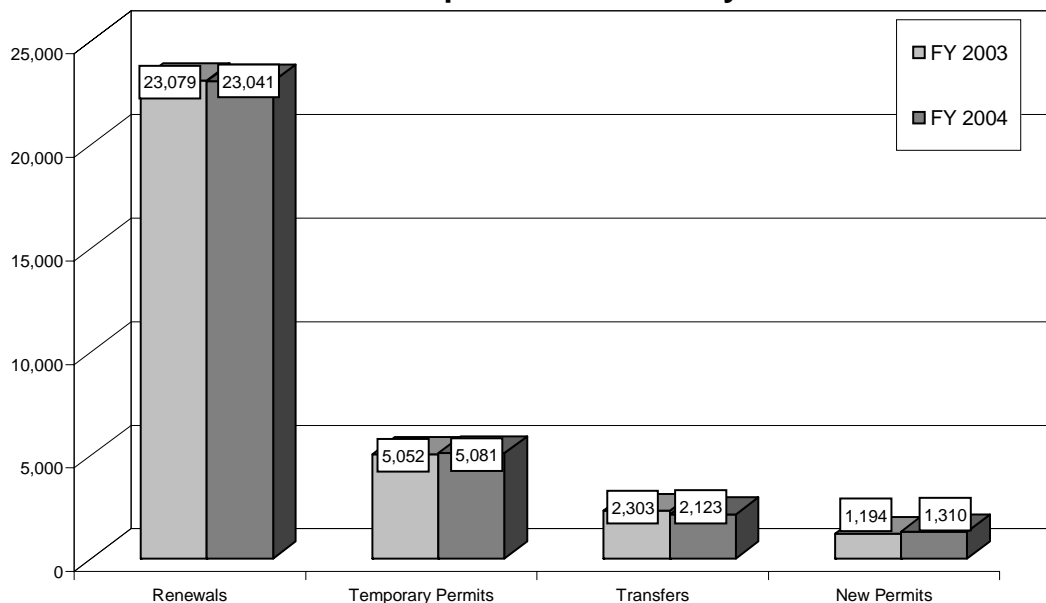
In Fiscal Year 2004, the Licensing Section was responsible for licensing the operations of over 24,000 privately owned and operated manufacturers, distributors and retailers of alcoholic beverages. This includes the issuance of new permits, permit renewals and transfers, and the investigative and hearing requirements associated with permit issuance. In Fiscal Year 2004, this section issued

8,514 permits, including 2,123 transferred permits, 1,310 new permits and 5,081 temporary permits. In addition, 23,041 permits were renewed.

The Division distributed \$30.8 million from liquor permit fees in Fiscal Year 2004. This was an increase of \$7.1 million over Fiscal Year 2003. Out of this total, \$11.9 million was returned to the local taxing districts for liquor law enforcement, \$12.7 million was deposited in the state's GRF, and \$6.2 million was allocated to the Ohio Department of Alcohol and Drug Addiction Services to fund treatment and education efforts statewide.

In the granting of liquor permits, the Division considers the safety and welfare of Ohio's citizens as first priority. At the same time, the Division is guided and restricted by statutes, rules and legal cases in making a decision on a permit's issuance or denial.

Liquor Permit Activity



Division of Liquor Control's Profit and Loss Statement

<u>SPIRITUOUS LIQUOR SALES</u>	Fiscal 2004	Fiscal 2003
Retail Sales	\$352,791,301	\$330,057,152
Wholesale Sales	\$228,620,431	\$215,385,532
GROSS SALES	\$581,411,732	\$545,442,684
Less Wholesale Discount @ 12.5%	\$28,577,554	\$26,923,192
TOTAL SALES	\$552,834,178	\$518,519,492
Less Cost of Goods Sold	\$321,739,111	\$301,850,224
State Gallonage Tax	\$31,065,061	\$29,828,504
TOTAL COST OF GOODS	\$352,804,172	\$331,678,728
GROSS PROFIT	\$200,030,006	\$186,840,764
Percentage of Gross Profit	34.40%	34.25%
OPERATING EXPENSES		
Less Operating Expenses - Agencies	\$29,919,848	\$28,115,987
Less Operating Expenses - General	\$13,443,427	\$13,369,997
TOTAL OPERATING EXPENSES	\$43,363,275	\$41,485,984
NET PROFIT BEFORE OTHER INCOME AND OTHER DEDUCTIONS	\$156,666,731	\$145,354,780
PERCENT NET PROFIT TO GROSS SALES	26.95%	26.65%

Fiscal Year 2004, as of June 30, 2004

State Fire Marshal

Fiscal Year 2004 Annual Report



The State Fire Marshal's Office (SFM) is the oldest established office of its kind in the United States. In Fiscal Year 2004, it consisted of eight bureaus and one unit: Administration, Fire & Explosion Investigations, Forensic Laboratory, Bureau of Underground Storage Tank Regulation (BUSTR), Fire Prevention, Code Enforcement, Testing and Registration, Ohio Fire Academy, and the Pyrotechnics and Explosives Unit. Responsibilities include modernizing and enforcing the Ohio Fire Code; designing and presenting fire prevention programs; analyzing fire-related criminal evidence; investigating the cause and origin of fires and explosions; training firefighters; providing fire-safety education to business, industry and the general public; regulating underground storage tanks; testing and training; and licensing and certification support services.

Fire Academy Trains Responders

In Fiscal Year 2004, the Academy provided training to a total of 10,901 emergency responders through the 780 classes being conducted either on campus or through the Academy's Direct Delivery Program. The resource center provided 344 videos for fire safety and public education programs, reaching an audience of 4,379. The academy issued 1,180 International Fire Service Accredited Certificates.

Accomplishments:

- Created joint staff position between the Ohio Department of Natural Resources and the State Fire Marshal's Ohio Fire Academy. Position is the primary contact for wild land-urban interface and wild land fire training for the State of Ohio.
- Participated in the Southwest Regional Medical Response System Bio-Terrorism exercise involving three states and 21 counties from Kentucky, Indiana and Ohio.
- Conducted a Lawyers "Feel the Heat" class for attorneys from the Ohio departments of Commerce

and Public Safety, who were joined by an attorney/adjunct instructor with the National Fire Academy from Massachusetts.

- Conducted a bomb technician hazardous materials refresher class in cooperation with Columbus Bomb Squad and Battelle.
- Conducted a pilot program with Mifflin Township Fire Department in Gahanna, Ohio, by providing in-service training programs to their on-duty staff.
- Established new website address for the Ohio Fire Academy for easier customer access at www.ohiofireacademy.com
- The Firefighter Training Grant awarded \$607,077 to local departments reimbursing them for the training of over 1,900 firefighters.
- Secured the following Terrorism Grants:
 - **State Domestic Preparedness Equipment Grant** (\$150,000) — for the period of April 1, 2002 through May 31, 2004 to purchase personal protective equipment first responder kits for SFM staff; radiation

monitoring equipment for SFM staff and the Major Incident Response Vehicle (MIRV); and hand-held radios for SFM staff and the MIRV.

- **State Domestic Preparedness Equipment Grant** (\$50,000) — for period of Oct. 1, 2002 through Sept. 30, 2004 for improvements to SFM site security.
- **Equipment Grant Part I** (\$48,000) — for period of May 27, 2003 through Sept. 30, 2004 to purchase an urban search and rescue response trailer; self-contained breathing apparatus units with spare bottles and helmets; and reference materials for SFM employees, the MIRV and the Emergency Operations Center.
- **Equipment Grant Part II** (\$263,450) – for period of June 5, 2003 through Oct. 30, 2004 to purchase two-way radios for Investigations Bureau and SFM; portable explosive magazines and post blast investigation equipment for Investigations Bureau; updated Forensic Laboratory equipment; additional self-contained breathing apparatus units with spare bottles and helmets for the Ohio Fire Academy; and additional reference manuals for the MIRV, Resource Center and Emergency Operations Center.

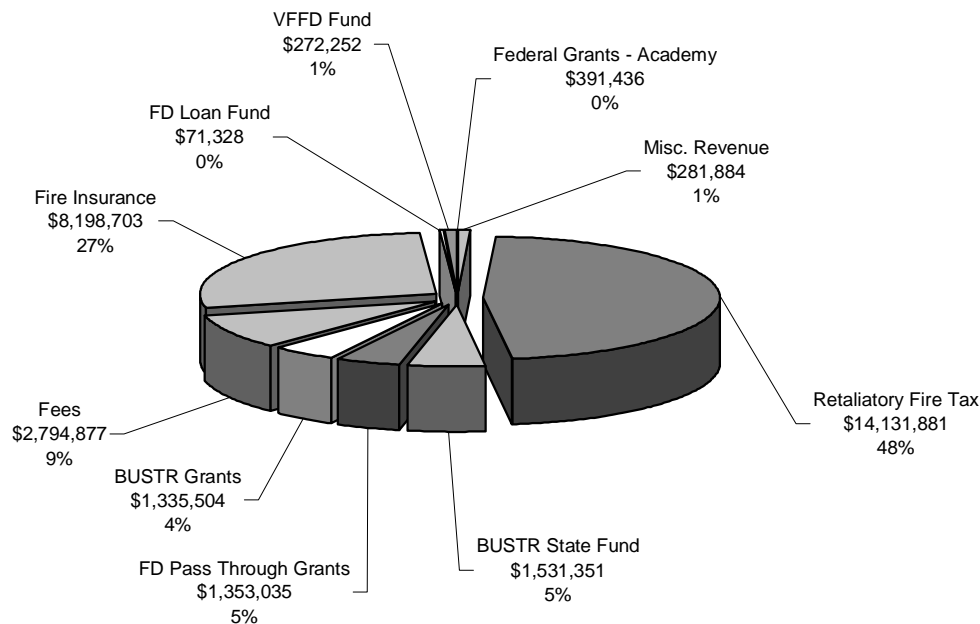
Fire & Explosion Investigation Bureau

During Fiscal Year 2004, the Investigations Bureau received 1,125 requests to investigate fires, explosions, fireworks incidents, explosive disposals, polygraph examinations and teaching assignments. This included 75 fatal fires, of which 16 were criminally related. SFM investigators determined that 382 of these incidents were criminal acts of arson and related crimes. Of the 1,125 requests for our services during Fiscal Year 2004, 839 were made after normal business hours.

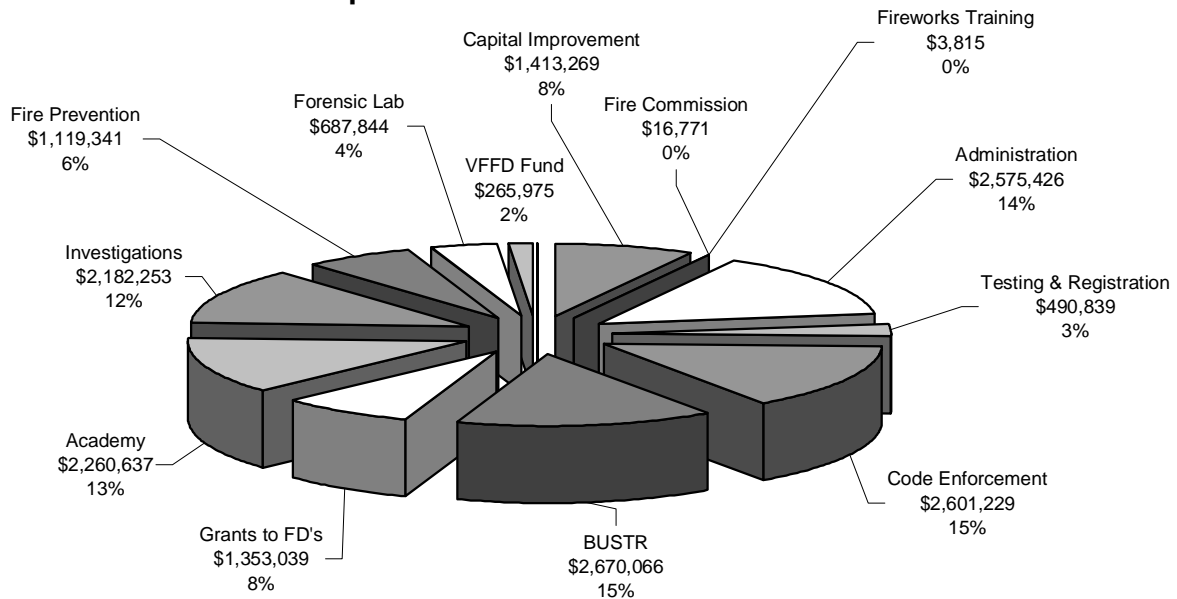
Four investigators were hired because of a promotion and recent retirements. This gives the Investigation Bureau seventeen investigators in the field, along with four Assistant Chiefs in the field and the Bureau Chief. All are law enforcement officers. This investigative staff covers over 41,000 square miles of territory. Each investigator being assigned to a minimum of five counties.

During Fiscal Year 2004, the Investigations Bureau has shown increase in the number of criminal charges filed for arson and related crimes. In 2003, the Bureau was responsible for 190 criminal charges; in 2004 the number of criminal charges filed was 420. This is an increase of over 100%. There are factors explaining this increase such as aggressive fire investigation techniques and increased manpower.

Sources of Revenue Fiscal Year 2004



Expenditures Fiscal Year 2004



Fire Prevention Bureau Focuses on Education

During Fiscal Year 2004, the Bureau conducted 3,368 fire safety related programs for more than 79,600 Ohioans at schools, senior centers, health care facilities, businesses and events like the Ohio State Fair. The bureau distributed 780,000 pieces of fire safety literature.

The bureau continues to promote the use and maintenance of smoke detectors. Smoke DOG (Smoke Detector on Guard) Awards were presented to five families whose lives were saved as a result of proper actions taken when a working smoke detector activated in their home. In Ohio, half of the fire fatalities occurred in homes that did not have a smoke detector or had one that was not working.

Since January 2000, the bureau has distributed 573 free software packages to volunteer fire departments to allow them to report fire incidents to the Bureau electronically. More than 79 percent of the fire departments are now reporting their fires to the State in an electronic format. During Fiscal Year 2004, the Bureau also provided used computers to 14 fire departments to assist them in preparing their fire reports.

Code Enforcement Bureau Upholds Fire Code Standards

During Fiscal Year 2004, the bureau conducted close to 10,000 fire safety inspections and approximately 4,000 re-inspections of various premises, events and licensed facilities across Ohio. Each re-inspection was performed to verify the abatement of all identified hazardous conditions. The bureau responded to nearly 400 complaints of fire code violations and initiated any appropriate code enforcement

actions. The bureau focused on code enforcement, homeland security, and training issues, including:

- Technical staff met with interested parties and representatives of regulated industries to discuss the proposed new Ohio Fire Code.
- Attended training sessions on fireworks, driving, ethics, and legal aspects of code enforcement, fire protection systems, radiation safety, elevators, fire loss analysis, and petroleum storage tank regulations.
- Testified in various administrative and court hearings to pursue statewide consistent enforcement of the Ohio Fire Code.
- Technical staff organized and presented the Advanced Fire Codes Course at the State Fire School held at Bowling Green State University.
- Inspected or verified the local authority inspection of all schools for compliance with fire drill regulations.
- Inspected every licensed hotel motel facility and licensed fireworks facility in the state.
- Technical staff contributed to the fire code development process at the national level in the model code organizations.

Bureau of Underground Storage Tank Regulations

The Bureau of Underground Storage Tank Regulations (BUSTR) regulates the safe operation of underground storage tanks and ensures appropriate investigation and cleanup of releases of regulated substances from underground storage tanks (UST) for the purpose of

protecting human health and the environment. During Fiscal Year 2004, BUSTR:

- Regulated 24,561 underground storage tank systems facilities across Ohio.
- Issued 1,496 permits to install, remove, repair or modify underground storage tank systems, and inspected these permitted activities for compliance with state regulations.
- Continued a statewide inspection and compliance program, performing 1,304 compliance inspections of registered facilities.
- Issued 1,388 “No Further Action” letters completing cleanups at sites where a release or suspected release of petroleum from a regulated UST had occurred.
- Started a Petroleum Brownfield pilot program intended to assist local communities interested in cleaning up lower environmental priority sites for the purpose of economic redevelopment.
- Initiated a comprehensive review of rules governing the operation, maintenance and removal of underground storage tank systems and the cleanup of releases of petroleum into the environment.

Bureau of Testing & Registration Focus on Customer Service

The Bureau's focus was to improve customer service using innovative, technology based solutions to increase revenues, reduce costs and deliver the services our customers need. Partnering with ITG, enhancements were developed and implemented promoting e-commerce and increasing on-line business accessibility. A web-enabled civilian criminal background check software system was implemented accurately prohibiting convicted felons from obtaining sensitive licenses.

The Bureau issued 24,575 licenses for fire protection companies/installers, hotel/motel, UST installers/inspectors, explosives storage and firework exhibitors and assistants. It issued compliance certificates for 7,451 UST facilities. Total revenue generated for this was \$2,560,775. The Bureau continues to provide easy access for our citizens to view and obtain public records using data imaging technology.

Forensic Laboratory Expands

Ohio Fire Investigators and Law Enforcement Agents submitted 777 cases (an increase of 10% over Fiscal Year 2003) consisting of 2,401 pieces of evidence (an increase of 21.8%) requiring 6,755 exams (an increase of 30.2%). Thirty-two (32) of the cases submitted involved fatalities. Analysis was conducted on ignitable liquids, fire debris, explosive devices, explosive residues and other physical

evidence from suspicious fire scenes, explosions, hazardous situations and other criminal activity.

The Laboratory completed an expansion renovation project in October 2003. The scope of the project included expansion of the existing facility; doubling the size of the evidence room, providing central storage for temperature sensitive and volatile evidence, relocation of a preparation laboratory, refurbishing of all existing fume hoods and installation of a security and internal paging system.

The Laboratory has also purchased and implemented a new Laboratory Information Management System (LIMS), replacing its antiquated (1987) LIMS.

The FBI has awarded the Forensic Laboratory an FBI contract entitled “Survivability Rate of Latent Finger Prints on Improvised Explosive Device (IED) Components”. As a result, the Laboratory was able to acquire an Alternative Light Source (ALS) and the More Hits Digital Imaging System for examination of latent prints.

The Laboratory was a recipient of the Paul Coverdell National Forensic Science Improvement Grant for Forensic Analyst Training.

Explosives & Pyrotechnics Administrative Unit

In Fiscal Year 2004, the Unit regulated 52 wholesaler and manufacturing licensed facilities, 521 active exhibitors, 1,064 active assistants and 24 out-of-state shippers. The Unit conducted over 13 in-service training courses and three speeches totaling 1,344 attendees. The Unit issued 73 variances to customers to assist in furtherance of their business.

Approximately 1,093 professional fireworks exhibitions were conducted in the state. Three pyrotechnic employees received injuries in two incidents in which shells prematurely exploded in the mortar rack.

The Fire and Explosives Investigators continue to investigate the illegal sale of fireworks around July 4 with the subjects in each matter being turned over to the criminal justice system and the product being seized and destroyed.

Sources of Revenue and Expenditures for the State Fire Marshal

	State Fire Marshal Sources of Revenue					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	
Capital	165,777	-	1,000,986	538,305	281,884	1%
Misc. Revenue	654,054	668,473	8,406,634	10,576,580	14,131,881	41%
Retailatory Fire Tax	1,154,974	5,136,925	1,766,430	1,237,645	1,531,351	5%
BUSTR State fund	1,676,175	1,215,767	1,770,668	1,464,438	1,353,035	4%
FD Pass Through Grants	1,782,478	1,795,213	1,419,775	1,572,205	1,335,504	4%
BUSTR Grants	1,932,100	1,459,400	2,711,405	2,935,974	2,794,877	9%
Fees	2,515,786	2,878,131	7,512,383	6,820,566	8,198,703	27%
Fire Insurance	6,688,410	6,570,590	10,608	1,129	-	0%
Fireworks Training	8,250	-	104,000	111,969	71,328	0%
FD Loan Fund	41,750	93,000	129,537	232,749	272,252	1%
VFFD Fund	137,157	238,947	77,479	238,936	391,436	1%
Federal Grants - Acad	175,237	202,302	-	-	-	0%
Sale of Real Property	-	229,500	-	-	-	0%
Totals	\$ 16,932,148	\$ 20,488,248	\$ 24,909,904	\$ 25,730,496	\$ 30,362,251	100%

	State Fire Marshal Expenditures by Program					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	
Capital Improvement	165,777	81,818	1,832,273	102,532	1,413,269	8%
Fireworks Training	9,263	-	10,490	230	3,815	0%
Fire Commission	8,642	14,647	9,834	10,771	16,771	0%
Administration	2,493,045	1,752,215	2,534,243	2,610,992	2,575,426	15%
Testing & Registration	2,353,979	2,416,910	310,207	443,990	490,839	3%
Code Enforcement	2,659,248	2,671,416	2,465,078	2,275,885	2,601,229	15%
BUSTR	1,781,085	1,795,210	2,380,380	2,579,424	2,670,066	15%
Grants to FD's	1,672,050	1,569,637	1,770,668	1,464,433	1,353,039	8%
Academy	1,679,018	1,889,285	2,200,479	2,434,472	2,260,637	13%
Investigations	795,409	829,394	1,941,307	1,813,866	2,182,253	12%
Fire Prevention	417,718	508,278	952,328	1,005,894	1,119,341	6%
Forensic Lab	188,690	181,465	479,629	528,855	687,844	4%
VFFD Fund	-	229,500	192,270	205,740	265,975	2%
FD Loan Fund	-	229,500	-	180,491	-	0%
Totals	\$ 14,223,924	\$ 13,710,273	\$ 17,079,186	\$ 15,657,575	\$ 17,640,504	100%

Transfers to the General Revenue Fund					
	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
Fund 546	-	\$ 5,200,000	-	\$ 7,100,000	\$ 10,000,000
Fund 653	-	\$ 800,000	-	-	-
Totals	-	\$ 6,000,000.00	-	\$ 7,100,000.00	\$ 10,000,000.00

Net Income	\$ 2,708,224.00	\$ 6,777,975.09	\$ 1,830,718.05	\$ 2,972,921.03	\$ 2,721,746.79
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