



Mary Taylor, CPA
Auditor of State

MUSKINGUM COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	1
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control over Compliance in Accordance with OMB Circular A-133.....	3
Schedule of Federal Awards Expenditures.....	7
Notes to the Schedule of Federal Awards Expenditures	10
Schedule of Findings - <i>OMB Circular A-133 §.505</i>	11
Schedule of Prior Audit Findings – <i>OMB Circular A-133 §.315(b)</i>	16

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Mary Taylor, CPA

Auditor of State

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

Muskingum County
401 Main Street
Zanesville, Ohio 43701-3519

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Muskingum County, Ohio (the County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Other auditors audited the financial statements of the Muskingum Starlight Industries Inc. in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards* and accordingly this report does not extend to that component unit.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2006-001 through 2006-004.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We believe none of the significant deficiencies described above are material weaknesses.

We also noted certain internal control matters that we reported to the County's management in a separate letter dated June 27, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the County's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the County's management in a separate letter dated June 27, 2007.

The County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the County's responses and, accordingly, we express no opinion on them.

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



Mary Taylor, CPA
Auditor of State

June 27, 2007



Mary Taylor, CPA

Auditor of State

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

Muskingum County
401 Main Street
Zanesville, Ohio 43701-3519

To the Board of County Commissioners:

Compliance

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

The County's basic financial statements include the operations of the Transportation Improvement District, Muskingum County, which received \$999,971 in federal awards which is not included in the Schedule of Federal Awards Expenditures for the year ended December 31, 2006. Our audit of Federal awards, described below, did not include the operations of the Transportation Improvement District because the component unit is legally separate from the primary government which this report addresses.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2006. In a separate letter the County's management dated June 27, 2007, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over n compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that the entity's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Federal Awards Expenditures Schedule

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund and the aggregate remaining fund information of Muskingum County as of and for the year ended December 31, 2006, and have issued our report thereon dated June 27, 2007, wherein we reported Muskingum Starlight Industries, Inc. was audited by other auditors. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Federal Awards Expenditures provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Muskingum County
Independent Accountants' Report on Compliance with Requirements
Applicable to each Major Federal Program and on Internal Control Over
Compliance in Accordance with OMB Circular A-133
Page 3

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

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

June 27, 2007

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MUSKINGUM COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor/ Program Title	Pass Through Grantor/Award Number	Federal CFDA Number	Disbursements	Noncash Disbursements
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education:</i>				
Food Donation Program	N/A	10.550	\$	\$11,987
Nutrition Cluster:				
School Breakfast Program	N/A	10.553	31,530	
National School Lunch Program	N/A	10.555	53,380	
Total Nutrition Cluster			84,910	0
Total U.S. Department of Agriculture			84,910	11,987
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Ohio Department of Development:</i>				
Community Development Block Grant/State's Program	B-C-05-055-1	14.228	75,611	
	B-F-05-055-1	14.228	468,904	
	B-W-05-055-1	14.228	119,778	
Total Community Development Block Grant/State's Program			664,293	0
Home Investment Partnership Program	B-C-05-055-02	14.239	157,051	
Total U.S. Department of Housing and Urban Development			821,344	0
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
<i>Passed Through Ohio Department of Youth Services</i>				
AmeriCorps Program	JJWC-010-05	94.006	11,637	
Total Corporation for National and Community Service			11,637	0
U.S. DEPARTMENT OF LABOR				
<i>Passed Through Workforce Investment Act Area 7:</i>				
Workforce Investment Act Cluster:				
Workforce Investment Act-Youth	N/A	17.259	337,028	
Workforce Investment Act-Youth Administration	N/A	17.259	16,725	
Workforce Investment Act-Youth Total			353,753	0
Workforce Investment Act - Adult	N/A	17.258	297,660	
Workforce Investment Act - Adult Administration	N/A	17.258	16,276	
Workforce Investment Act - Adult Total			313,936	0
Workforce Investment Act - Dislocated Worker	N/A	17.260	1,068,148	
Workforce Investment Act - Dislocated Worker Administration	N/A	17.260	45,448	
Workforce Investment Act - Dislocated Worker Total			1,113,596	0
Total Workforce Investment Act Cluster			1,781,285	0
Total U.S. Department of Labor			1,781,285	0

MUSKINGUM COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor/ Program Title	Pass Through Grantor/Award Number	Federal CFDA Number	Disbursements	Noncash Disbursements
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education:</i>				
Special Education Cluster:				
Special Education - Grants to States	066357-6BSF-2006	84.027	35,524	
	066357-6BSF-2005	84.027	40,043	
Total Special Education - Grants to States			75,567	0
Special Education - Preschool Grant	066357-PGS1-2006	84.173	1,945	
	066357-PGS1-2005	84.173	13,212	
Total Special Education - Preschool Grant			15,157	0
Total Special Education Cluster			90,724	0
Innovative Education Program Strategies	066357-C2S1-2006	84.298	75	
Total U. S. Department of Education			90,799	0
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Public Safety - Emergency Medical Services Division:</i>				
Rural Access to Emergency Devices Grant	N/A	93.259	23,210	
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities and Wright State University:</i>				
Developmental Disabilities Basic Support and Advocacy Grants	N/A	93.630	12,000	
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>				
Social Services Block Grant	N/A	93.667	76,784	
Medical Assistance Program	CAFS	93.778	31,169	
	TCM	93.778	193,459	
	LV1	93.778	33,847	
	I/O	93.778	225,754	
Total Medical Assistance Program			484,229	0
State Children's Insurance Program	N/A	93.767	689	
Total U.S. Department of Health and Human Services			596,912	0
U.S. DEPARTMENT OF JUSTICE				
<i>Passed Through Ohio Department of Youth Services:</i>				
Title V - Delinquency Prevention Program	2004-JV-T50-5106	16.548	8,756	
	2005-JV-T50-5106	16.548	26,267	
Title V - Delinquency Prevention Program			35,023	0
<i>Direct Programs:</i>				
Bulletproof Vest Partnership Program	N/A	16.607	21,084	
Public Safety Partnership and Community Policing Grants	2004-SHWX-0093	16.710	98,420	
Total U.S. Department of Justice			154,527	0

MUSKINGUM COUNTY

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

FEDERAL GRANTOR/ Pass-Through Grantor/ Program Title	Pass Through Grantor/Award Number	Federal CFDA Number	Disbursements	Noncash Disbursements
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Department of Public Safety:</i>				
State Domestic Preparedness Equipment Support Program	2004-GE-T4-0025	97.004	2,974	
	2004-GE-T4-0025	97.004	196	
Total State Domestic Preparedness Equipment Support Program			<u>3,170</u>	<u>0</u>
State Homeland Security Program	2005-GE-T5-0001	97.073	60,090	
	2005-GE-T5-0001	97.073	78,310	
Total State Homeland Security Program			<u>138,400</u>	<u>0</u>
Public Assistance Grants	FEMA-OH-DR-1580	97.036	<u>183,497</u>	
Total U.S. Department of Homeland Security			325,067	0
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation:</i>				
Highway Planning and Construction	PID 24276	20.205	350,903	
<i>Passed Through Ohio Department of Public Safety - Governor's Highway Safety Office:</i>				
Highway Planning and Construction	5162.0/2005STPG/3	20.205	<u>24,000</u>	
Total U.S. Department of Transportation			<u>374,903</u>	<u>0</u>
TOTAL FEDERAL AWARDS EXPENDITURES			<u>\$ 4,241,384</u>	<u>\$ 11,987</u>

The Notes to the Schedule of Federal Awards Expenditures are an integral part of this Schedule.

MUSKINGUM COUNTY

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

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - CHILD NUTRITION CLUSTER

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

NOTE C – FOOD DONATION PROGRAM

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

NOTE D - MATCHING REQUIREMENTS

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

NOTE E – HIGHWAY PLANNING AND CONSTRUCTION PROGRAM

A speed zone study project for the Highway Planning and Construction Program was completed in 2005 and reimbursed by the Ohio Department of Public Safety, Governor's Highway Safety Office, in 2006 for pass through grantor number 5162.0/2005STPG/3.

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weaknesses reported for major federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Medical Assistance Program - CFDA No. 93.778 Community Development Block Grant – CFDA No. 14.228
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

MUSKINGUM COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)

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

FINDING NUMBER 2006-001

Significant Deficiency - Capital Asset Policy

Governmental Accounting Standards Board (GASB) Statement No. 34 entitled "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments", changed the reporting requirements under generally accepted accounting principles for governmental agencies. For Muskingum County, this statement became effective for fiscal year 2003. Muskingum County's revised capital asset policy, adopted by the County Commissioners on August 15, 2002, did not take into consideration many of the requirements outlined in this new standard.

Enterprise Capital Assets

We noted the following weaknesses concerning the enterprise capital assets accounting system:

1. The capital asset policy as it relates to enterprise funds included estimated useful lives that varied from those estimated useful lives the County actually utilized.
2. There is no guidance available to the employee preparing the capital asset spreadsheets to determine if expenditures should be capitalized or should be expensed in the current year as repairs and maintenance. The County is capitalizing immaterial amounts which do not appear to increase the useful life of the structure or system. There are replacements to the various components of capital assets structures or systems but no corresponding amounts are deleted from the value of the asset.

We recommend the County Commissioner's office adopt an enterprise capital asset policy only after obtaining input from management of both the water and sewer departments concerning estimated useful lives of each of the various classes of assets within each department. The policy should designate individuals responsible for reporting changes to capital assets as well as individuals responsible for updating the capital asset accounting system. A determination should be made by a knowledgeable member of management if disbursements should be capitalized or expensed in the current year.

Land and Buildings

We noted the same weaknesses concerning the land and buildings capital assets accounting system as was noted for the enterprise capital assets system and make the same recommendations, as appropriate.

Vehicles, Furniture and Equipment

The County's capital asset accounting system for reporting vehicles, machinery and equipment is not programmed to calculate depreciation in accordance with the County's Capital Asset Policy. The County's management has opted to change the policy to conform to the constraints of the system. In addition we noted four assets which were improperly classified between vehicles and machinery and equipment and two assets with values less than \$5,000 included on the listing. We recommend management continue to work with the software so they are able to understand the capabilities and constraints of the capital asset accounting system. These errors have since been corrected by management.

MUSKINGUM COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-001 (Continued)

Significant Deficiency - Capital Asset Policy (Continued)

Roads and Bridges

The accounting system utilized by the County Engineer's Department was developed in-house on an Excel spreadsheet. The system provides pertinent information and generally serves its intended purpose. However, the policy in practice has not been formally adopted by the County Commissioners. We recommend the County Commissioners formally adopt the County Engineer's policy.

Transfers

The County's current capital asset policy does not discuss how the County will account for transfers of assets between Business Type Activities (BTA) and Government Type Activities. There were transfers of capital assets between these two types of activities during the audit period. We recommend the County's capital asset policy be updated to include the procedures the County will use to account for the transfer of assets between Business and Government Type Activities.

Officials' Response

The County's capital asset policy, to address GASB Statement No. 34, is currently in draft form. The County's plan is to meet with the water and sewer departmental supervisors and elected officials in order to incorporate their input within our policy. When all segments of the capital asset policy have been revised and approved by departmental supervisors/elected officials, the policy will be submitted to the Muskingum County Commissioners to be formally approved and adopted. The County anticipates this policy to be adopted by October 2007 retroactively to January 1, 2007.

FINDING NUMBER 2006-002

Significant Deficiency - Posting of Issue 2 Funding

Auditor of State Bulletin 2002-004 requires each local government that participates in the Ohio Public Works Commission (OPWC) Issue 2 Program to establish a capital projects fund to account for the project's transactions. Local governments are required to account for and budget the related revenues and expenditures to the extent the local government has received benefit from the project. Each local government is then required to record a receipt and expenditure equal to the amounts disbursed by OPWC directly to the contractor.

The County received grant funding from the OPWC during 2006 that was disbursed directly from OPWC to the applicable contractors. Although estimated receipts and appropriations were adopted and recorded by the County, these "on-behalf-of" payments were not recorded by the County as memorandum receipts and disbursements.

This resulted in actual cash receipts and disbursements being understated by \$1,174,748 on the County's financial reports. An adjustment was made to the County's financial statements during the County's compilation to include this activity.

MUSKINGUM COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-002 (Continued)

Significant Deficiency - Posting of Issue 2 Funding (Continued)

We recommend the County record the cash value benefit of these types of programs, when the County has applied, or entered into agreements, for these sources of funds, as memorandum receipts and disbursements, in the year "on-behalf-of" disbursements are made by OPWC.

Officials' Response

The Issue 2 funds that were awarded to Muskingum County during 2006 were disbursed directly from the Ohio Public Works Commission to various contractors. Although the County estimated receipts and appropriations, the actual memo postings did not occur. For future projects that involve memo postings, the County Auditor's office will hold meetings with departments that receive these types of monies so that memo entries can be made within the appropriate calendar year.

FINDING NUMBER 2006-003

Significant Deficiency - Water Department Adjustments

For an internal control procedure to be reliable, the procedure should be consistently applied and the performance of the procedure should be documented. We noted that during 2006 only 19% of the adjustments posted to customer accounts by the Water Department employees were approved by a supervisor. In addition, separate user log-ins and passwords were not utilized for each employee.

Failure to obtain supervisory approval for account adjustments and failure to use separate log-ins and passwords could allow errors and/or irregularities to occur and remain undetected by management. During 2006, two adjustments were made to accounts which did not have documentation to support why and by whom the adjustments were made. Prior to our audit, these adjustments were addressed by County management and the adjustments were ultimately reversed. The results of our testing suggest that, although other adjustments were made during 2006 without supervisory approval, adjustments included documentation to support why they were made and appear reasonable.

We recommend the Water Department establish procedures for approving adjustments to customer accounts. The procedures could include establishing a dollar threshold by which an individual adjustment could not be made without the Water Department Superintendent's approval. For all other adjustments that would fall below the individual dollar threshold, an adjustment report could be generated, identifying the account, amount, reason and employee posting the adjustment. The Superintendent could then review the listing after the adjustments were posted. We also recommend the Water Department upgrade its current software or obtain new software for its utility billing in order to allow the use of a separate log-in name and password for each user, so that activity entered can be traced to the user who entered the data. These procedures would help assure that, for each adjustment made, the adjustment is reviewed at some time by a supervisor and the supervisor can identify the employee that posted the adjustment.

MUSKINGUM COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2006
(Continued)

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2006-003 (Continued)

Significant Deficiency - Water Department Adjustments (Continued)

Officials' Response

The Water Department now requires all adjustments to be approved and signed off on by the Water Department Manager and also signed by the Office Manager whom inputs the adjustments into the billing system. In addition the Water Department is currently in the process of obtaining new computer software and computers and plans the new system to be in operation beginning in August 2007. The new system will require individual passwords for each user.

FINDING NUMBER 2006-004

Significant Deficiency - Water Department Segregation of Duties

A well-designed internal control system includes monitoring controls to assure that application controls are working effectively. In an entity where a limited number of staff does not allow for an adequate segregation of duties, monitoring controls become more important.

The Muskingum County Water Department operated with only two employees that handled all aspects of the billing and collection functions. With the exception of supervisory approvals for approximately 19% of account adjustments, there was no other apparent evidence of monitoring controls operating.

The lack of monitoring controls increases the likelihood that errors and/or irregularities could occur and remain undetected by management.

We recommend the Water Department Superintendent review various daily and monthly reports including, but not limited to, monthly revenue reports generated by the County Auditor, reports of water consumption versus the amounts billed to customers, pay-in reports and daily payment registers prepared by the Office Manager and Water Clerk, reports of adjustments posted to the system, delinquent account reports, and listings of shut-off notices. These reviews should provide the Superintendent with evidence that controls are operating as designed.

Officials' Response

The Water Department Manager now makes deposits to the Treasurer's Office when the manager is available. When the manager is not available to make deposits then deposits are made by the Office Manager or Office Clerk. In addition the Manager reviews the County Auditor's financial reports through the County's computer system. Currently the Water Department Manager and Office Manager are working on implementing documentation procedures.

3. FINDINGS FOR FEDERAL AWARDS

There were no findings for federal awards required to be reported.

MUSKINGUM COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
OMB CIRCULAR A -133 § .315(b)
DECEMBER 31, 2006

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Reportable condition concerning the County's capital asset policy.	No.	Not Corrected. Repeated as Finding Number 2006-001.

MUSKINGUM COUNTY, OHIO



Comprehensive Annual Financial Report
For the Year Ended
December 31, 2006

Muskingum County Flag

On Thursday, April 25, 2002, the Muskingum County Flag was presented to the county commissioners at the Muskingum County Home.

The flag was designed by local artist Roger Penos using the ideas of the residents of the County Home. Residents Helen Bartick and Lucille Wilson, who worked on the project from the beginning and attended almost every planning session, presented the flag on behalf of all the residents.

Penos said working with the residents was wonderful. He would talk with the residents, sketch their ideas, and bring the sketches back for more comments and suggestions.

The flag is maroon with seven white symbols representing our county's history. The field of the flag is surrounded by a green and white border. The symbols on the flag are the Y bridge, the Lorena, pottery, mining, the Wilds, the Underground Railroad and agriculture. The date Muskingum County was created – March 1, 1804 – is also included.

The county actually has two flag designs. The one flown at the Statehouse for the Bicentennial Celebration is modified. On it, the barn which represents agriculture, includes the Bicentennial Logo.

The Muskingum County Flag was first raised and flown April 26, 2002 in front of the County Home in honor of the residents who designed it.

The above information was taken from a Times Recorder Article written by local historian Chuck Martin dated 04-26-02 and edited by Martha Sullivan of the Muskingum County Board of Elections.

Muskingum County, Ohio

**Comprehensive Annual
Financial Report**

For the Year Ended December 31, 2006

Anita J. Adams

Muskingum County Auditor

Prepared by the Muskingum County Auditor's Office



Anita J. Adams
Muskingum County Auditor
Office of the County Auditor

Real Property Division

Beth Iden, Chief Administrator
Cindy Bugglin Velma J. Martin
Holly Kohler Ann Bonifant
Marge Wright

Personal Property Division

Regina K. Price, Supervisor
Mollye A. Beale

Data Processing

Alan K. Reed, Systems Manager

Appraisal Division

Todd Hixson Steve Neilley
Brent Huffman

Mapping Division

Eugene Durant Andrew Roberts
Patrick Denbow

Fiscal Service Division

Debra J. Nye, Chief Administrator
Jan E. Bates Jennifer Scott
Sheila Mills Sharon Smart
Brenda Ellis

**Inspector of Weights
and Measures**

Charles Conkle

INTRODUCTORY SECTION

Muskingum County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006
Table of Contents

	<u>Page</u>
I. <u>Introductory Section</u>	
Table of Contents	i
Transmittal Letter	vi
GFOA Certificate of Achievement.....	xvi
Elected Officials	xvii
Organizational Chart	xviii
 II. <u>Financial Section</u>	
Independent Accountants' Report	1
Management's Discussion and Analysis	3
Basic Financial Statements	
Government - Wide Financial Statements:	
Statement of Net Assets	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities.....	20
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	24
Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual	
General Fund.....	25
Public Assistance Fund	26
Motor Vehicle and Gasoline Tax Fund.....	27
County Home Levy Fund.....	28
Starlight School Levy Fund	29
Children Services Levy Fund.....	30
Statement of Fund Net Assets - Proprietary Funds	31
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds	32
Statement of Cash Flows - Proprietary Funds.....	33
Statement of Fiduciary Assets and Liabilities - Agency Funds.....	35
Notes to the Basic Financial Statements.....	36

(continued)

Muskingum County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006
Table of Contents (Continued)

	<u>Page</u>
Combining Statements and Individual Fund Schedules:	
General Fund:	
Fund Description.....	99
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual	100
Combining Statements - Nonmajor Governmental Funds:	
Fund Descriptions	110
Combining Balance Sheet - Nonmajor Governmental Funds	111
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	112
Special Revenue Funds:	
Fund Descriptions	113
Major Special Revenue Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - Individual Major Special Revenue Funds:	
Public Assistance Fund	117
Motor Vehicle and Gasoline Tax Fund	118
County Home Levy Fund.....	119
Starlight School Levy Fund	120
Children Services Levy Fund.....	121
Nonmajor Special Revenue Funds:	
Combining Balance Sheet - Nonmajor Special Revenue Funds	122
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Special Revenue Funds	129
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - Individual Nonmajor Special Revenue Funds:	
Dog and Kennel Fund	138
Child Support Enforcement Agency Fund	139
Childrens' Services Trust Fund.....	140
Real Estate Assessment Fund.....	141
Redevelopment Tax Equivalent Fund	142
Drug Abuse Resistance Education (DARE) Fund	143
Miscellaneous Federal Grants Fund.....	144
Access Visitation Grant Fund	145
Delinquent Real Estate Tax and Assessment Collection Fund.....	146
Homeland Security Fund.....	147
Tuberculosis Clinic Fund	148
Youth Services Fund	149

(continued)

Muskingum County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006
Table of Contents (Continued)

	<u>Page</u>
Block Grants Fund	150
Computer Legal Research Fund.....	151
Community Correction Fund	152
Home Detention (Electronic Monitor) Fund.....	153
Litter Prevention Fund	154
Ohio Childrens Trust Fund.....	155
Marriage License Fund	156
Political Subdivision Housing Fund.....	157
Indigent Drivers Alcohol Treatment Fund	158
Probate Conduct of Business Fund	159
Enforcement and Education Fund.....	160
Law Enforcement Fund.....	161
Legal Aid Society Fund	162
Senior Citizens Levy Fund.....	163
Felony Delinquent Care and Custody Fund	164
Drug Law Enforcement Fund.....	165
Indigent Guardianship Fund.....	166
Victim of Criminals Fund	167
Sheriff Commissary Fund	168
Children Services Christmas Fund.....	169
Mental Health Levy Fund	170
Certificate of Title Administration Fund.....	171
Sheriff Levy Fund	172
Court Special Projects Fund.....	173
Transportation Improvement District (TID) Escrow Fund	174
Juvenile Detention Fund	175
Concealed Weapon Fund	176
Wireless 911 Fund	177
Brandywine Loop Extension Fund.....	178
 Debt Service Funds:	
Fund Descriptions	179
 Nonmajor Debt Service Funds:	
Combining Balance Sheet - Nonmajor Debt Service Funds	180
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Debt Service Funds	181
 Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - Individual Nonmajor Debt Service Funds:	
Debt Service Fund.....	182
Special Assessment Debt Service Fund	183
Note Retirement Fund.....	184
Sewer Debt Service Fund.....	185
Water Debt Service Fund.....	186
 Capital Projects Funds:	
Fund Descriptions	187

(continued)

Muskingum County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006
Table of Contents (Continued)

	<u>Page</u>
Nonmajor Capital Projects Funds:	
Combining Balance Sheet - Nonmajor Capital Projects Funds.....	188
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Capital Projects Funds.....	190
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - Individual Nonmajor Capital Projects Funds:	
STAR Region 8 Fund.....	192
Issue II Fund	193
Highway Fund.....	194
Job and Family Services Renovation Fund	195
Starlight Permanent Improvements Fund.....	196
Recorder Equipment	197
Court Computer Fund	198
Energy Conservation Fund.....	199
Enterprise Funds:	
Fund Descriptions	200
Schedules of Revenues, Expenses, and Changes in Fund Equity - Budget (Non-GAAP Basis) and Actual - Individual Enterprise Funds:	
Sewer Fund	201
Water Fund.....	202
Internal Service Funds:	
Fund Descriptions	203
Combining Statement of Fund Net Assets - Internal Service Funds	204
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets - Internal Service Funds	205
Combining Statement of Cash Flows Internal Service Funds	206
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual - Internal Service Funds:	
Self-Insurance Health Fund.....	207
Self-Insurance Workers' Compensation Fund	208
Agency Funds:	
Fund Descriptions	209
Statement of Changes in Assets and Liabilities - Agency Funds	210

(continued)

Muskingum County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2006
Table of Contents (Continued)

	<u>Page</u>
III. <u>Statistical Section</u>	
Statistical Section Description.....	S-1
Net Assets by Component - Last Four Years	S-3
Changes in Net Assets - Last Four Years	S-4
Program Revenues by Program/Activity - Last Four Years	S-7
Fund Balances, Governmental Funds - Last Ten Years	S-8
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	S-10
Taxable Sales by Industry (Category) - Current Year	S-13
Assessed and Estimated Actual Value of Taxable Property - Last Ten Years	S-14
Property Tax Rates, Direct and Overlapping Governments - Last Ten Years.....	S-16
Principal Taxpayers, Real Estate - 2006 and 1997	S-28
Principal Taxpayers, Tangible Personal Property Tax - 2006 and 1997	S-29
Principal Taxpayers, Public Utilities Tax -2006 and 1997	S-30
Property Tax Levies and Collections, Real and Public Utility, and Tangible Personal Property - Last Ten Years	S-32
Ratio of Outstanding Debt to Total Personal Income and Debt Per Capita - Last Ten Years	S-34
Ratio of General Obligation Bonded Debt to Estimated Actual Property Value and General Obligation Bonded Debt Per Capita - Last Ten Years	S-36
Pledged Revenue Coverage, Revenue Bonds - Sewer -Last Ten Years	S-37
Legal Debt Margin	S-38
Demographic and Economic Statistics	S-42
Principal Employers - 2006 and 1997	S-45
Full-Time Equivalent County Government Employees by Program/Activity - Last Ten Years	S-46
Operating Indicators by Program/Activity - Last Five Years	S-50
Capital Asset Statistics by Program/Activity - Last Five Years	S-53



Muskingum County, Ohio
401 Main Street
Zanesville, OH 43701

740-455-7109 (County Auditor)
740-455-7100 (County Commissioners)

June 27, 2007

CITIZENS OF MUSKINGUM COUNTY, OHIO

We are pleased to issue the Comprehensive Annual Financial Report (CAFR) of Muskingum County, Ohio for the year ended December 31, 2006. This report is prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The County Auditor's Office prepared this report, pursuant to Section 117-1-11, Ohio Administrative Code, which requires that unaudited general purpose external financial statements be submitted to the State Auditor's Office annually within 150 days after the close of the year. The report includes the basic financial statements which provide an overview of the County's financial position and the results of financial operations. This is the seventeenth consecutive Comprehensive Annual Financial Report issued by the Auditor's office.

County management assumes full responsibility for the completeness and reliability of the information contained in this report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Internal Controls

In developing the County's accounting system, consideration was given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding both the safeguarding of assets against loss and misuse, and assurance regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal controls should not exceed the benefits expected to be derived from their implementation.

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

The County's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing set of accounts. The basis of accounting and the various funds utilized by the County are fully described in Note 2 to the Basic Financial Statements.

As a recipient of federal funds, the County has a responsibility to see that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. The County's day-to-day accounting and budgetary records are maintained on a basis other than one in compliance with generally accepted account principles (GAAP).

Independent Audit

In compliance with State statute, the basic financial statements have been audited by the Ohio Auditor of State's Office. The independent auditor concluded that Muskingum County's financial statements for the year ended December 31, 2006 are fairly presented in conformity with Generally Accepted Accounting Principles. The independent accountants' report is presented as the first component of the financial section of this report. In addition, the County coordinates the requirement for the "Single Audit" of all its federal funds received in conjunction with the Auditor of State.

Management's Discussion and Analysis

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management's discussion and analysis (MD&A). This letter of transmittal should be read in conjunction with the MD&A as they are designed to complement each other. Muskingum County's MD&A can be found immediately following the independent accountants' report.

PROFILE OF THE GOVERNMENT

Basic Information

Muskingum County was created by an act of the Ohio General Assembly on March 1, 1804. The name "Muskingum" is derived from the Delaware Indian language, meaning "Elk Eye River," which refers to the Muskingum River. Muskingum County encompasses twenty-five townships, ten villages, and the City of Zanesville which is the County seat. The County includes 653 square miles and has a population of 84,585 based on the 2000 Census. The population of the City of Zanesville is 25,586.

For financial purposes, the County includes all funds, departments, and boards and agencies making up Muskingum County (the Primary Government) and its Component Units in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity." The County's primary government comprises all entities not legally separate from the County, and includes the financial activities of the Children Services Board, the Board of Mental Retardation and Developmental Disabilities, Tuberculosis Clinic Board, the Board of Mental Health and Recovery Services, and all departments and activities that are directly operated by the County elected officials.

The County has only those powers, and powers incidental thereto, conferred upon it by the State constitution and statutes. A three-member Board of County Commissioners (the "Board") is the primary legislative and executive body of the County. The Board is elected at-large in even numbered years for four-year overlapping terms. The Board is responsible for providing and managing the funds used to support the various County activities. The Board exercises its legislative powers in budgeting, appropriating monies, levying taxes, issuing bonds and notes, and allowing contracts for public works and services to provide this financial management. The Board has certain responsibilities for the management of most County facilities, including various courts, correctional and administrative facilities, public assistance and social services facilities, and general County facilities.

In addition to the Board, citizens elect eight other County administrative officials, each of whom is independent within the limits of State Statutes affecting the particular office. These officials, elected to four year terms, are the County Auditor, County Treasurer, County Prosecuting Attorney, County Engineer, County Coroner, County Clerk of Courts, County Recorder, and County Sheriff. Common Pleas Court Judges, including the Juvenile/Probate Court Judge, and County Court Judges are elected on a County-wide basis and serve six year terms.

The County Auditor serves as the chief fiscal officer for the County. As chief fiscal officer, no contract or obligation involving the County can be made without the Auditor's certification that appropriations are sufficient and that funds are available, or are in the process of collection, to ensure that the contract or obligation can be paid. The Auditor is also the central disbursing agent of the County, who, by issuance of County warrants, distributes funds to creditors in payment of liabilities incurred by the County and its departments. The Auditor is responsible for the preparation of the County payroll and also has statutory accounting responsibilities. The County Auditor also serves as tax assessor for all political subdivisions within the County. As tax assessor, the Auditor is responsible for establishing the tax rates for real estate, personal property, and manufactured homes. Once these taxes are collected, the Auditor is responsible for distributing those collections to the other governmental entities in accordance with legally adopted rates. In addition to these duties, by law, the Auditor serves as the secretary of the County Board of Revision and the Budget Commission.

The County Treasurer is the custodian of all County funds and is responsible for collecting all tax monies and applying those payments to the appropriate tax accounts. The Treasurer is responsible for the investment of idle County funds, as specified by Ohio law. Daily reconciliations of total County fund balances of the Auditor and Treasurer are performed by the two offices. Reconciliations, by fund, are performed monthly. The County Budget Commission is comprised of the County Treasurer, County Auditor, and County Prosecuting Attorney. The Budget Commission plays an important function in the financial administration of the County government and all other local governments located within the County.

The County Engineer, required by Ohio law to be a registered professional engineer and surveyor, serves as the civil engineer for the County and its officials. His primary responsibilities relate to the construction, maintenance and repair of County roads and bridges, and related roadside drainage facilities and storm sewer runoff systems. The Board of County Commissioners takes bids on and awards contracts for the projects recommended and approved by the County Engineer. The County Engineer also prepares tax maps for the County Auditor.

As part of its justice system, the County maintains the Court of Common Pleas, which includes a Domestic Relations Division, a Juvenile Division, and a Probate Division. The County also maintains a County Court District. The prosecutor is designated by Ohio law as the Chief Legal Counsel for all County offices, boards and agencies, including the Board of County Commissioners, the Auditor, Treasurer, and all townships and local school districts. In addition, the Prosecutor is a member of the County Budget Commission.

The Clerk of Courts keeps all official records of the Common Pleas Court. When the Court of Appeals holds sessions within the County, the Clerk of Courts also serves as Clerk of Courts of the Court of Appeals. The office of Clerk of Courts operates on a system of fees charged for services and is essentially self-supporting.

The County Sheriff is the Chief Law Enforcement Officer of the County and provides certain specialized services which include maintaining a special staff of deputies whose duties are to assist local law enforcement officers upon their request and to enforce the law in unincorporated areas of the County. The Sheriff also operates and maintains the County Jail and is responsible for its inmates, including persons detained for trial or transfer to other institutions. As an officer of the County Courts, the Sheriff is in charge of the preparations and service of documents. The County also contracts with the City of Zanesville and several other municipalities in the County to house prisoners.

Muskingum County employed 984 people at the close of 2006, which provided its citizens with a wide range of services that include human and social services, health and community assistance related services, civil and criminal justice system services, road and bridge maintenance, water and sewer utility services, and other general and administrative support services.

Component Units

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the program's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance 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 levying of taxes, or the issuance of debt.

The Transportation Improvement District and the Muskingum Starlight Industries, Inc. have been included as discretely presented component units.

The County also serves as the fiscal officer and custodian of funds, but is not financially accountable, for the Zanesville-Muskingum County Health Department, the Zanesville-Muskingum County Port Authority and the Muskingum County Soil and Water Conservation District whose activities are included in this report as agency funds.

The County participates in the following jointly governed organizations with other entities:

South East Ohio Joint Solid Waste Management District
Mental Health and Recovery Services Board
Mid East Ohio Regional Council of Governments (MEORC)
Southeast Area Transit Authority (SEAT)
Zanesville-Muskingum Family and Children First Council
Area Agency on Aging
Ohio Mid-Eastern Governments Association (OMEGA)
Licking-Muskingum Community Based Correctional Facility (CBCF)
Zanesville-Muskingum County Port Authority
Perry Multi-County Juvenile Facility
Muskingum County Center for Seniors

Additional disclosure of the jointly governed organizations is presented in Note 21 to the Basic Financial Statements.

The County is associated with the following organizations which are defined as related organizations:

Muskingum County Convention Facilities Authority
Zanesville Metropolitan Housing Authority
Muskingum County Park District

Information regarding the related organizations is presented in Note 22.

ASSESSING ECONOMIC CONDITION

Local Economy

The County is located in east central Ohio, approximately 60 miles east of the City of Columbus. The County enjoys the benefits of urbanization while offering a rural atmosphere and a variety of lifestyles for its inhabitants. Residents of the County are served by a county-wide library system, seven school districts, Muskingum College, Zane State College (formerly Muskingum Area Technical College) and the Zanesville Branch of Ohio University.

The Zanesville Art Center maintains a library of fine arts materials and features classes and exhibitions. The Zane Grey Museum, the John and Annie Glenn Museum, Zanesville's Secrest Auditorium and two stadiums located in the City also contribute to the County's cultural facilities, as do two municipal park systems and four state recreational areas that are located throughout the County.

Excellent medical care is available to area citizens through Genesis Health Care Systems. Genesis Health Care Systems consists of two acute care hospitals (Bethesda Hospital and Good Samaritan Hospital), a home health and hospice agency, a community pharmacy, and several specialty outpatient clinics.

The County is provided with banking and financial services by eight commercial banks, and savings and loan associations. The County is serviced by one daily newspaper and is within the broadcast area of five television stations and several AM and FM radio stations. Cable television is available to many county residents and offers government, education, and community access channels in addition to entertainment channels.

Muskingum County's economic condition continued to improve during 2006. Several new business developments and a steady tourism industry contributed to a heightened expectation for a better economy. The County's effective economic development activities have helped attract a large number of employers. Just as importantly, the county's pro-business thinking has helped many local companies grow from small businesses into major national competitors and remain in Muskingum County to do so.

The County's location is a good choice for manufacturing and distribution facilities needing to move products or people from coast to coast. Muskingum County further builds on Ohio's logistical advantage by offering direct interstate, rail and air access. Interstate 70 runs through the heart of Muskingum County, providing direct access to one of the most important east-to-west corridors in the nation. Other major interstates are nearby adding to the ease of highway transportation.

The Chamber of Commerce once again recognized area companies for their economic investments in Zanesville and Muskingum County with the "Awards for Community and Economic Success" (ACES). ACES were awarded to 76 local businesses in 2006. This is more than double the number of businesses who were presented the award in 2005.

Muskingum County's three prime development sites for large manufacturing and distribution facilities are publicly owned. With this public ownership, via the Zanesville-Muskingum County Port Authority, land can be purchased or leased at attractive rates.

The Airport Distribution Park offers unmatched access to ground and air transportation. The park is located adjacent to the Zanesville Municipal Airport. For ground transportation, the park is located just one mile from an Interstate 70 interchange with access provided by a state route. Sites ranging from two to six acres are available for purchase. Tax incentives are available for eligible projects through the Ohio Enterprise Zone Program.

North Pointe Park, a 390-acre mixed-use development area is located in the northern portion of Zanesville. It is zoned and perfectly suited for commercial, office and industrial development. Further, the park provides direct access to North Pointe Drive, a newly constructed, limited access highway linking Zanesville to Dresden near State Route 16. More than 200 acres are still available for development with lot sizes ranging from three to fifty acres. Tax incentives are available within North Pointe through the Community Reinvestment Area and Ohio Enterprise Zone Programs.

The community's newest development site is East Pointe Industrial Park. The 1,000-acre development area can accommodate industrial and distribution projects, which have large acreage requirements. Companies that choose EastPointe have access to a new rail transfer facility served by Ohio Central Rail Transportation. East Pointe offers companies flexible lot sizes and plenty of room to grow. Tax incentives through the Ohio Enterprise Zone Program are available for eligible projects.

The long awaited Ohio 146/60 connector road, which is an extension of North Pointe Drive, officially opened in August of 2006. The \$5.3 million road took seven years from the initial plan and design to the construction and opening. Now drivers can use the route, which extends from Ohio 146 to Maple Avenue and continue on the other portion of North Point Drive, which extends to Dresden. The road will not only help alleviate traffic on Maple Avenue but it is hoped that the new route will spur future development.

New cost figures were released in June regarding the Ohio 93/U.S. 22 connector road. The new projected cost of the 5.1 mile long route is estimated to be \$39.8 million. This estimate will be updated as the work progresses. Engineers for the project are currently underway with phase 7 of the 14 phase project. Officials are still discussing the funding gap for the project, which has been an issue since the beginning and will likely continue. A subcommittee has been formed to look for additional funding sources. The road will extend from the present intersection of U.S. 22 and Ohio 93 North to U.S. 40. In addition to increasing access to some of the southernmost counties in the state, the actual construction of the Ohio 93 bypass will create an economic boost as well.

The Ohio Department of Transportation gave the go ahead to move to the preliminary engineering phase to design improvements for Ohio 146 in front of the Ohio University-Zanesville/Zane State College main entrance. The project will include widening the state route to include turn lanes, aligning the main college entrance with the road that leads to the Muskingum County Home and installing new traffic signals at both the main entrance and also Ohio 146/Adams Lane. The \$1.5 million project is scheduled to be under construction sometime between June 2007 and June 2008.

Local officials contracted for the design of specific safety improvements between the entrance of the Genesis Health Plex on Maple Avenue and Country Club Drive. The project, noted as the Genesis Intersection Feasibility Study, is based in part on a prior study conducted several years ago under the auspices of the Ohio Department of Transportation. The project could provide better flow into the Wal-Mart complex as well as the Genesis Health Plex, and may help minimize some of the congestion at Bell Street.

Cinemark Theaters opened a 12-screen movie theater, located in the Colony Square Mall, in October. Construction of the theater began in 2005 and replaced the existing Cinemark 10-screen theater located just east of the mall. Additional improvements to mall entrances were made to complement the new theater addition. The new theater employs between 75 and 80 people.

Also opening in the fall of 2006 were Hobby Lobby and Sam's Club. Hobby Lobby is a craft store offering picture framing, jewelry making, fashion fabrics, floral, wearable art, home accents and holiday supplies. Hobby Lobby is located in the North Pointe Shopping Center next to Pet Smart. They are expected to employ approximately 30 people. Sam's Club is located on the Brandywine Loop behind Lowe's. The store has approximately 128,000 square feet and houses over 6,000 items on its shelves. The nation's largest members-only warehouse will employ 200 people at the Zanesville location.

Several new restaurants also opened their doors during 2006. Among those were a Quizno's Subs, a Chipotle Mexican Grill and a Starbucks Coffee Shop. Quizno's is located in the Zane Plaza Shopping Center in South Zanesville and joins other new restaurants in the area that opened last year such as Tim Horton's, Bob Evans and Arbys. Chipotle Mexican Grill and Starbucks Coffee Shop are both located on Maple Avenue near the new North Pointe Development area.

The Bilco Company, a West Haven, Connecticut based manufacturer of specialty access products for residential and commercial building markets, committed to spending \$5 million on a 75,000-square foot facility in the East Pointe Industrial park. Once the new facility is opened, 25 full-time jobs will be offered to those in the community. The company is hoping to bring another 25 to 35 jobs to the area in the next three years.

Many changes have been planned or are already underway for the new "South Pointe Center" – the old Zane Plaza Shopping Center in South Zanesville. The former Big Bear store on Maysville Avenue will be razed to make way for a new gas station. A new Huntington Bank branch is under construction and tree-lined access routes are planned throughout the parking lot. Also coming to the complex is an 8,000-square foot physicians center, which will be built next to the South Towne Gym, located in the strip.

Other projects slated for the County include the creation of an exploration center in the Village of New Concord. The center would be a math and science based facility operated in conjunction with the John and Annie Glenn Museum, also located in the village. The WHIZ Media Group and Southeastern Ohio Broadcasting applied for and received approval from the Federal Communication Commission to build a new radio tower. The potential to build a new tower could give WHIZ a strategic foothold to expand its broadcast reach. They have 36 months to implement the project or can elect to allow the permit to expire without taking further action. Time Warner announced the opening of an incoming-only call center on North Pointe Drive. The facility will be used to answer incoming calls from subscribers pertaining to billing, new products and troubleshooting. The project is expected to bring 100 new jobs to the area.

Although many new developments and expansions continue throughout the county, several long-time employers are still facing difficulties. Lear Corporation had approximately half of its labor force laid off by November 2006. The company, which had employed around 400 people, has seen much of their labor intensive work sent to Mexico or China. Also contributing to the layoffs is the decline of the auto market as a whole. The Longaberger Company, whose employment peaked at just over 8,000 in 2000 and dropped to around 3,000 during 2005, had two major rounds of hiring in 2006. The basket manufacturer remains hopeful that the economy will continue to improve and more employment can occur. Greif Inc. closed its doors in October of 2006. The Zanesville plant employed 78 people who made industrial packaging products including steel, plastic, fiber, corrugated, and multi-wall containers. Company officials said the decision supported their strategy to optimize and align assets across the network and to position themselves to improve customer service capabilities within their target market.

The large retail growth that the County has experienced in the last few years continues to increase sales tax revenues. This comes to the County at a time when other sources of revenue are being reduced or eliminated all together as a result of legislative changes at the State level.

Population growth is a major indicator of economic activity. According to the latest census report, Muskingum County's population grew by 3.1 percent between 1990 and 2000. Although this is not a large increase, the population has remained steady over the past decade, which can be attributed to the County's retail and manufacturing growth.

The total labor force in Muskingum County averaged 39,100 during 2006, down approximately 1,000 from the 2005 average. At 7.2 percent, the 2006 unemployment rate for the county was somewhat higher than the State of Ohio at (5.5 percent), and also higher than the national rate of (4.6 percent). The 2006 unemployment rate for the county dropped 1.1 percent from 2005. Page S-43 in the Statistical Section of this report shows the unemployment rates of Muskingum County over the past 10 years.

Long - Term Financial Planning and Financial Policies

Local elected officials recognize that a vibrant and growing business community will improve the area's quality of life. Although the economic activity in our County continues to expand, there is a need to exercise fiscal restraint in County spending patterns due to factors external to the County. The Ohio Legislature continues to limit funding to local governments, including the County. Therefore, the County cannot assume that future local government funding by the State will continue at present levels.

The County continues to be conservative in its spending in an effort to recover from the sluggish economy of the past 5 years. All transfers of money to other local governments and agencies have been suspended unless they are mandated or it is an emergency situation. Departments have been asked to make cuts where possible and only purchase equipment if it is absolutely necessary. The County now charges back to other funds the costs for Medicaid, liability insurance, vehicle repairs and gasoline. These expenses were previously paid by the General Fund.

The County has implemented some new procedures in order to better manage the issuance of debt. These procedures include the securing of a revenue source for the retirement of the debt when it is issued as well as the periodic review of existing debt for the possibility of refinancing and/or refunding. This will establish a higher level of debt control and has already resulted in a considerable amount of savings for the County. We expect this endeavor to continue to be a valuable cost saving measure for the County.

The County has also implemented a fleet vehicle policy, where the fleet manager will rotate vehicles out of service when their age or mileage makes them ineffective. The policy allows for the purchase of a limited number of new vehicles each year. An inventory of available vehicles within the fleet is maintained so that existing vehicles can be transferred to various departments when they are needed.

Major Initiatives

The City of Zanesville unveiled their Downtown Zanesville/Riverfront Master Plan in 2006. The plan suggests potential new uses for the underutilized riverfront areas and is an update to a 1995 plan. That plan led to the city's streetscape improvements on Main Street; the new housing development in the Greenwood Area; and improvements to the Zane's landing area. The master plan update calls for an arts and entertainment district called "Potter's Alley", to help strengthen Zanesville's role as a central destination in Southeastern Ohio. The city has also created a new Community Improvement Corporation (CIC), to handle the sale of properties for the Potter's Alley development. The development is envisioned as a mixture of retail and recreation, dining and entertainment.

Muskingum County officials are in the beginning stages of creating a comprehensive plan. They are seeking input from the public for the new document which will outline the County's vision for infrastructure and growth for the next 20 years. The Muskingum County Commissioners have created ten task forces to develop separate recommendations for the comprehensive plan. They are agriculture, commercial and retail development, parks and green spaces, emergency services, law enforcement and health care, natural resources, residential housing and education, technology and communications, tourism and cultural/historical resources, and transportation and infrastructure. The comprehensive plan will examine the community's assets and make recommendations for development and future uses of local resources.

The Zanesville-Muskingum County Port Authority (Muskingum County's Economic Development Agency) was awarded a \$4.2 million state grant from the Job Ready Sites Program. The money will be used for improvements at the East Pointe Industrial Park. Some of these improvements include the purchase of additional acreage, grading and site reclamation, construction of rail lines, paving, and increased sewer capacity to the park. Another improvement underway at the East Pointe Industrial Park is the extension of Granger Drive. The new road will allow for future development and improve traffic flow to existing facilities.

The County began enhancements to their 911 emergency response system in 2006. These enhancements will be implemented in two phases. Phase I will give dispatchers the caller's cell number, the tower address their signal is bouncing off of and a sector location on a GPS map. Currently cell phone calls come up as all zeros and dispatchers have to keep the person on line for several minutes to find out where they are located. Phase II of the process will include the information from phase I as well as providing the caller's longitude and latitude. This will allow emergency personnel to pinpoint exact locations of cell phone callers and improve response time.

County priorities continue to include major water and sewer projects to serve the County's continuing growth. The County also continues to look at ways to extend water and sewer services to rural areas within the community.

Cash Management

The County pools all idle cash to achieve maximum investment efficiency and to enhance accountability. The County Treasurer, as custodian of all County monies, is responsible for all County investments. An investment policy is established by the Investment Advisory Board which is comprised of the County Treasurer, the Chair of the County Commissioners, and one other Commissioner chosen by the Chair. Ohio law requires the Board to meet once every three months. The County has an investment program that recognizes and calculates the lag between issue and redemption of warrants. Investment procedures are restricted by the provisions of the Revised Code. Except for nonparticipating investment contracts, investments are reported at fair value which is based upon quoted market prices. Nonparticipating investments contracts are reported at cost or amortized cost. All investments are in Certificates of Deposit and Prime Investment Accounts in local financial institutions. Interest earned by the primary government in 2006 was \$3,117,217 for governmental activities, \$43,495 for business-type activities, and \$13,038 for Muskingum Starlight Industries, Inc., (component unit).

Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; employee injuries and natural disasters. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, casualty and crime insurance, the County has addressed these various types of risks.

Under the CORSA program for general liability, auto liability, errors and omissions for public officials, and law enforcement liability, the County has \$1,000,000 of total liability coverage and no annual aggregate (except error and omissions for public officials liability which has a \$1,000,000 annual aggregate) with a \$5,000 deductible per occurrence. Uninsured/Underinsured Motorists are covered in the amount of \$250,000 for each occurrence. Property damage is on a replacement cost basis for a blanket amount of \$100,000,000 on buildings and contents. The Hartford Steam Boiler Inspection and Insurance Company provides the County's boiler and machinery coverage, in the amount of \$100,000,000 for each accident. Employee dishonesty, money and securities inside and out, money orders and counterfeit, and depositor's forgery are covered in the amount of \$1,000,000 for each and every loss.

During 2004, the County entered into an agreement with the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan. The plan is intended to lower workers' compensation rates for the Group and result in the establishment of safer working conditions and environments for each participant.

Muskingum County established a Loss Prevention Coordinator in 1985 who works with CORSA to provide training to County departments and their employees. One purpose of the program is to identify potential accident areas on County properties for both County employees and citizens. Other training includes driving and material safety data. High risk departments are a training priority.

AWARDS AND ACKNOWLEDGMENTS

Awards

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

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

Acknowledgments

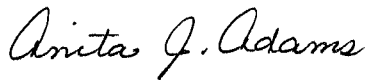
The publication of this CAFR, which includes the new reporting model as promulgated by GASB Statement No. 34, represents an important achievement in the ability of Muskingum County to provide significantly enhanced financial information and accountability to the citizens of Muskingum County, its elected officials, County management, and investors. This report continues the aggressive program of the County Auditor's office to improve the County's overall financial accounting, management, and reporting capabilities.

The preparation and publication of this report would not have been possible without the cooperation of each elected official, department head, and a number of County employees. We are grateful for their assistance and cooperation.

We would like to acknowledge the efforts of the entire staff of the Muskingum County Auditor's office. We offer our sincere thanks and gratitude to Debra Nye and the Accounting Staff for their dedication and hard work as leaders in this undertaking. Our appreciation is also extended to the Local Government Services Division of the Auditor of State's Office for their guidance and assistance in preparing this financial report.

We especially thank the citizens of Muskingum County for this opportunity to continue to improve the professionalism in financial reporting that they expect and deserve.

Respectfully submitted,



Anita J. Adams
Muskingum County Auditor



Brian Hill
President, Board of Commissioners

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Muskingum County Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2005

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



President

Executive Director

Muskingum County, Ohio

Elected Officials

December 31, 2006

Board of Commissioners

Donald D. Madden
Dorothy M. Montgomery
Brian D. Hill

County Auditor

Anita J. Adams

County Treasurer

Phillip D. Murphy

County Recorder

Karen B. Vincent

County Engineer

Douglas R. Davis

Court of Common Pleas

General

Mark C. Fleegle
Kelly J. Cottrill

Court of Common Pleas

Domestic Relations

Jeffrey A. Hooper

County Court

Eric D. Martin
Jay F. Vinsel

Clerk of Courts

Todd A. Bickle

County Coroner

Dr. Howard Marsh

Prosecutor

D. Michael Haddox

County Sheriff

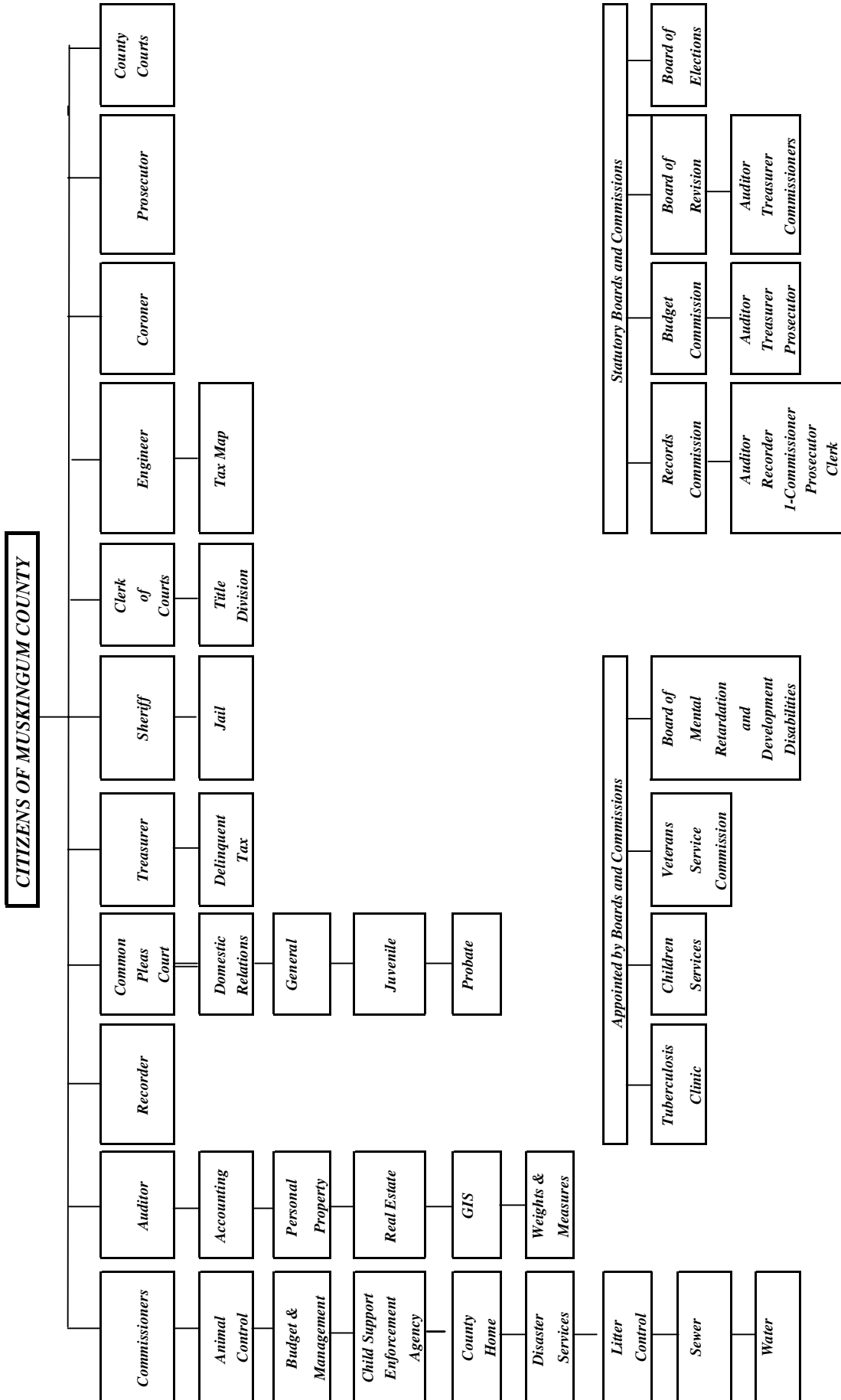
Robert J. Stephenson

Court of Common Pleas

Probate and Juvenile

Joseph A. Gormley

ORGANIZATION OF MUSKINGUM COUNTY



FINANCIAL SECTION



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Muskingum County Commissioners
Muskingum County
401 Main Street
Zanesville, Ohio 43701-3519

To members of the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Muskingum County, Ohio (the County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Muskingum Starlight Industries Inc., which represent five percent of assets, one hundred percent of net assets, and fifty percent of revenues for the discretely presented component units of the County. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for Muskingum Starlight Industries Inc., on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. The other auditors audited the financial statements of Muskingum Starlight Industries Inc. in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. 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 our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Muskingum County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Public Assistance, Motor Vehicle and Gasoline Tax, Starlight School Levy, Children Services Levy and the County Home Levy funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2006, the County implemented GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

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www.auditor.state.oh.us

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2007, 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 nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We subjected the combining and individual nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We 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.



Mary Taylor, CPA
Auditor of State

June 27, 2007

Muskingum County, Ohio

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

Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the County of Muskingum, Ohio's (the County) financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the County's financial performance as a whole. The MD&A should be read in conjunction with the County's transmittal letter, basic financial statements, and notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2006 are as follows:

- The assets of Muskingum County exceeded its liabilities at the close of the year ended December 31, 2006, by \$157,212,889 (net assets). Of this amount, \$18,756,836 may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$3,464,136 from the total net assets at the beginning of the year 2006.
- At the end of the current year, the County reported unrestricted net assets for governmental activities of \$11,275,681.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$35,618,977, an increase of \$932,018 from the prior year. Of this amount, \$31,784,259 is available for spending (unreserved undesignated fund balance) on behalf of its citizens.
- At the end of the current year, unreserved fund balance for the General Fund was \$10,640,274, which represents 44 percent of total General Fund expenditures.

Using This Annual Financial Report

This annual report consists of a series of financial statements. These statements are organized so the reader can understand the County as a financial whole or as an entire operating entity.

The *Statement of Net Assets* and the *Statement of Activities* provide information about the activities of the whole County, presenting an aggregate view of the County's finances as well as a longer-term view of those assets.

Fund financial statements provide the next level of detail. For governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's most significant funds in more detail than the government-wide statements. Nonmajor funds are presented separately from major funds in total and in one column.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

Statement of Net Assets

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2006?" The *Statement of Net Assets* and the *Statement of Activities* answer this question.

Muskingum County, Ohio

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

The Statement of Net Assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. The Statement of Activities presents information showing how the County's net assets changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

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

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

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

Business-Type Activities - These services are provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's water and sewer systems are reported here.

Component Units - The County's financial statements include financial data of the Transportation Improvement District and the Muskingum Starlight Industries, Inc. These component units are described in the notes to the basic financial statements. The component units are separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to its residents. The County's major and discretionary major governmental funds are the General Fund and the Public Assistance, Motor Vehicle and Gasoline Tax, County Home Levy, Starlight School Levy, and Children Services Levy Special Revenue Funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year end balances available for spending. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Muskingum County, Ohio

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

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

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

Proprietary Funds - The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for the Sewer Fund and Water Fund operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The County's two self-insurance funds account for the claims and liabilities relating to the County's self-insured hospitalization program and also for the liabilities relating to the County's retrospective workers' compensation program.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Notes to the Basic Financial Statements - The notes provide additional information that is essential to the full understanding of the data provided on the government-wide and fund financial statements.

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

Government-Wide Financial Analysis

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

Muskingum County, Ohio

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

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Assets:						
Current and Other Assets	\$64,281,466	\$61,318,064	\$12,892,316	\$10,418,528	\$77,173,782	\$71,736,592
Capital Assets, Net	104,085,804	105,114,650	56,325,380	48,520,357	160,411,184	153,635,007
Total Assets	168,367,270	166,432,714	69,217,696	58,938,885	237,584,966	225,371,599
Liabilities:						
Current and Other Liabilities	19,722,141	18,079,488	6,217,697	6,448,776	25,939,838	24,528,264
Long-Term Liabilities	31,699,966	32,257,831	22,732,273	14,836,751	54,432,239	47,094,582
Total Liabilities	51,422,107	50,337,319	28,949,970	21,285,527	80,372,077	71,622,846
Net Assets:						
Invested in Capital Assets, Net of Related Debt	76,740,170	76,094,042	32,786,571	31,666,592	109,526,741	107,760,634
Restricted	28,929,312	29,752,642	0	0	28,929,312	29,752,642
Unrestricted	11,275,681	10,248,711	7,481,155	5,986,766	18,756,836	16,235,477
Total Net Assets	\$116,945,163	\$116,095,395	\$40,267,726	\$37,653,358	\$157,212,889	\$153,748,753

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$157,212,889 (\$116,945,163 in governmental activities and \$40,267,726 in business-type activities) as of December 31, 2006. By far, the largest portion of the County's net assets (70 percent) reflects its investment in capital assets (e.g., land, land improvements, construction in progress, buildings, machinery, equipment, furniture and fixtures, vehicles, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of 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, \$28,929,312 or 18 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted net assets (12 percent) is to be used to meet the County's ongoing obligations to citizens and creditors. The County's total net assets increased by \$3,464,136 during 2006. The majority of this increase is in the Business-Type Activities with an increase of \$2,614,368. The County experienced increased net assets as a direct result of capital contributions from grantors, developers, and customers. Capital contributions totaled \$3,545,669 during 2006 in the Sewer and Water Enterprise Funds. These capital contributions resulted in increases in capital assets as can be demonstrated from the above table.

Muskingum County, Ohio

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

Table 2 shows the changes in net assets for 2006, compared to the changes in net assets for 2005.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Revenues:						
Program Revenues						
Charges for Services	\$11,886,419	\$10,976,897	\$5,034,633	\$4,788,974	\$16,921,052	\$15,765,871
Operating Grants, Contributions, and Interest	32,799,104	31,805,117	0	0	32,799,104	31,805,117
Capital Grants and Contributions, and Interest	2,103,860	2,362,026	3,545,669	1,516,605	5,649,529	3,878,631
Total Program Revenues	46,789,383	45,144,040	8,580,302	6,305,579	55,369,685	51,449,619
General Revenues						
Property Taxes	11,796,684	11,812,606	0	0	11,796,684	11,812,606
Permissive Sales Taxes	14,774,019	14,152,780	0	0	14,774,019	14,152,780
Intergovernmental	1,921,577	1,801,309	0	0	1,921,577	1,801,309
Investment Earnings	3,117,217	1,942,630	43,495	47,928	3,160,712	1,990,558
Payments in Lieu of Taxes	491,029	794,915	0	0	491,029	794,915
Gain in Sale of Capital Assets	632	0	0	0	632	0
Miscellaneous	518,725	1,038,882	64,614	18,723	583,339	1,057,605
Total General Revenues	32,619,883	31,543,122	108,109	66,651	32,727,992	31,609,773
Total Revenues	79,409,266	76,687,162	8,688,411	6,372,230	88,097,677	83,059,392
Program Expenses						
General Government						
Legislative and Executive	9,926,117	9,466,507	0	0	9,926,117	9,466,507
Judicial	6,253,392	5,651,972	0	0	6,253,392	5,651,972
Public Safety	10,781,512	10,817,063	0	0	10,781,512	10,817,063
Public Works	9,799,321	10,353,129	0	0	9,799,321	10,353,129
Health	1,229,423	1,272,279	0	0	1,229,423	1,272,279
Human Services	36,982,530	36,853,288	0	0	36,982,530	36,853,288
Intergovernmental	2,827,253	1,502,161	0	0	2,827,253	1,502,161
Interest and Fiscal Charges	803,774	825,361	0	0	803,774	825,361
Sewer	0	0	3,254,399	4,090,519	3,254,399	4,090,519
Water	0	0	2,775,820	2,984,872	2,775,820	2,984,872
Total Expenses	78,603,322	76,741,760	6,030,219	7,075,391	84,633,541	83,817,151
Increase (Decrease) before transfers	805,944	(54,598)	2,658,192	(703,161)	3,464,136	(757,759)
Transfers	43,824	10,184	(43,824)	(10,184)	0	0
Change in Net Assets	849,768	(44,414)	2,614,368	(713,345)	3,464,136	(757,759)
Net Assets Beginning of Year	116,095,395	115,569,147	36,617,336	37,330,681	152,712,731	152,899,828
Prior Period Adjustment	0	570,662	1,036,022	0	1,036,022	570,662
Adjusted Net Assets						
Beginning of Year - Note 3	116,095,395	116,139,809	37,653,358	37,330,681	153,748,753	153,470,490
Net Assets End of Year	\$116,945,163	\$116,095,395	\$40,267,726	\$36,617,336	\$157,212,889	\$152,712,731

Muskingum County, Ohio

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

Governmental Activities

Governmental activities added to the County's net assets by \$849,768. Key elements of this change are as follows.

The County's direct charges to users of governmental services made up \$11,886,419 or 15 percent of total governmental revenues. These charges are for fees for real estate transfers, permissive motor vehicle license taxes, rent, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Operating grants, contributions, and restricted interest were the largest program revenues, accounting for \$32,799,104 or 41 percent of total revenues for governmental activities. This revenue source increased by \$993,987 during 2006. The major recipients of intergovernmental revenues were the human services and public works programs with the largest change in the human services program. During 2006, the Public Assistance recognized an increased amount of their State funding and was not over-advanced or required to repay a portion of their funding.

Permissive sales tax revenues account for \$14,774,019 or 19 percent of total governmental revenues. Another major component of general governmental revenues was property tax revenues, which accounted for \$11,796,684 or 15 percent of total governmental revenues.

The County's human services programs accounted for \$36,982,530, or 47 percent of total expenses for governmental activities. Other major program expenses for governmental activities include legislative and executive programs, which accounted for \$9,926,117, or 13 percent of total expenses, and public safety programs, which accounted for \$10,781,512 or 14 percent of total expenses. Even though the human services and public safety programs have the largest expenses in governmental activities, their changes in expenses from 2005 are minimal. The human services programs showed a minimal increase in expenses of \$129,242. The public safety program reflects a decrease in expenses of \$35,551 from 2005. These changes are a result of maintaining a tight budget and keeping expenses in line with fixed revenue streams. The legislative and executive program showed an increase in expenses of \$459,610 mainly as a result in losses posted from disposals of capital assets. The largest change in expenses occurred in the Intergovernmental Expense program, an increase of \$1,325,092. This is the result of a \$1,000,000 grant given to the City of Zanesville for an extension of Brandywine Loop which is within the city limits.

Business-Type Activities

The net assets for business-type activities increased \$2,614,368 during 2006. Charges for services were the largest program revenue, accounting for \$5,034,633 or 58 percent of total business-type revenues.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services for 2006, as compared to 2005. The Statement of Activities reflects the cost of program services and the charges for services, grants, contributions, and interest offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues, unrestricted intergovernmental revenues, and unrestricted interest earnings.

Muskingum County, Ohio

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

Table 3
Governmental Activities

	Total Cost of Services <u>2006</u>	Net Cost of Services <u>2006</u>	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>
General Government				
Legislative and Executive	\$9,926,117	\$5,960,831	\$9,466,507	\$5,789,961
Judicial	6,253,392	4,895,212	5,651,972	3,629,967
Public Safety	10,781,512	7,618,724	10,817,063	5,254,537
Public Works	9,799,321	1,347,462	10,353,129	2,618,930
Health	1,229,423	575,759	1,272,279	881,713
Human Services	36,982,530	8,014,523	36,853,288	11,318,656
Intergovernmental	2,827,253	2,597,654	1,502,161	1,278,595
Interest and Fiscal Charges	803,774	803,774	825,361	825,361
Total Expenses	<u>\$78,603,322</u>	<u>\$31,813,939</u>	<u>\$76,741,760</u>	<u>\$31,597,720</u>

Charges for services, operating and capital grants, contributions, and interest of \$46,789,383, or 60 percent of the total costs of services, were received and used to fund the governmental activities expenses of the County. The remaining \$31,813,939 in governmental expenses is funded primarily by property and permissive sales taxes, non-restricted intergovernmental revenues, interest, and miscellaneous revenues.

The \$8,014,523 in net cost of services for human services demonstrates the costs of services that were not supported from state and federal resources during 2006. As such, the taxpayers have approved property tax levies for the County Home, Starlight School, and Children Services programs. For public safety in 2006, the \$7,618,724 in net costs of services indicates the General Fund permissive sales tax and property tax levies are needed for the operation of the Sheriff's Department and the Detention Center. Management is concerned with the fact that there are insufficient program revenues to operate the Sheriff's Department and the Detention Center. To help reduce the tax burden and increase program revenues, the County is actively pursuing contracts for the housing of prisoners from other entities outside the County. The net cost of \$5,960,831 in the legislative and executive program represents activities related to the governing body as well as activities that directly support other County programs that serve the County's residents. As a result, this program relies on the general revenues of the County to support its activities.

Financial Analysis of County Funds

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

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

Muskingum County, Ohio

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

As of December 31, 2006, the County's governmental funds reported a combined ending fund balance of \$35,618,977, an increase of \$932,018 in comparison with the prior year. \$31,784,259, or 89 percent of this total, constitutes unreserved undesignated fund balance, which is available for spending. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year (\$2,345,086), has been reserved for claimants (\$107,967), or has been reserved for a variety of other restricted purposes (\$1,381,665). While the bulk of the governmental fund balances is not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to restrictions for use for a particular purpose mandated by the source of the funding, such as tax levy language or the underlying grant.

The General Fund is the primary operating fund of the County. At the end of 2006, unreserved fund balance was \$10,640,274, while total fund balance was \$11,023,826. 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 44 percent to total General Fund expenditures, while total fund balance represents 46 percent of that same amount. The fund balance increased from 2005 by \$66,397. This minimal change is due to the awareness by management that expenditures and other financing uses must be maintained at or below fixed revenue sources.

At the end of 2006, the Public Assistance Special Revenue Fund had a deficit fund balance of \$170,639, in comparison to a deficit fund balance of \$746,638 at the end of 2005. This is due to an increase in amounts expended for the various public assistance programs.

The fund balance of the Motor Vehicle and Gasoline Tax Special Revenue Fund at December 31, 2006 was \$2,041,893, an increase of \$36,948 from the previous year. This minimal change is a direct result of this department matching projected revenue streams and spending levels. Due to this conservative budgeting, this department was able to maintain a consistent fund balance for carryover into the next year.

The fund balance of the County Home Levy Special Revenue Fund at December 31, 2006 was \$868,448, compared to a deficit fund balance of \$18,210 at the end of 2005. Revenues exceeded expenditures by \$886,658. The largest increase is in property taxes due to an increase in the voted levy for this program.

The fund balance of the Starlight School Levy Special Revenue Fund at December 31, 2006 was \$9,354,450, a decrease of \$148,388. This minimal change is the result of increased operating expenditures within this department.

The fund balance of the Children Services Levy Special Revenue Fund at December 31, 2006 was \$3,362,924, a decrease of \$1,324,554 from 2005. This is a direct result of the non-renewal of a property tax levy during tax year 2005. During 2006 this levy was passed but collections won't be received until 2007.

Proprietary Funds - The County maintains two different types of proprietary funds. Enterprise funds are used to report functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for Sewer Fund and Water Fund operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The County uses internal service funds to account for the health and workers' compensation self-insurance programs.

Muskingum County, Ohio

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

As of December 31, 2006, net assets for the County's enterprise funds were \$40,267,726. Of that total, \$7,481,155 represents unrestricted net assets that are available for spending at the County's discretion.

As of December 31, 2006, unrestricted net assets in the self-insurance programs were (\$497,161). This deficit is due to the recognition of payables in accordance with generally accepted accounting principles.

General Fund Budgetary Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. By State statute, the Board of County Commissioners adopts a temporary operating budget for the County prior to the first day of January. The Board of County Commissioners adopts a permanent annual operating budget for the County prior to the first day of April.

For the General Fund, there were changes from the original budget to the final budget. Total budgeted revenues for charges for services increased significantly to bring the budgeted amount more in line with actual results. Final budgeted intergovernmental expenditures decreased significantly due to the re-appropriation of money into transfers out. The County had originally anticipated making specific intergovernmental expenditures out of the General Fund but later on in the year decided to issue debt for these payments. Other than these specific situations, fluctuations in growth and diversity have typically not occurred in Muskingum County, allowing department managers the ability to consistently predict revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets - The County's capital assets for governmental and business-type activities as of December 31, 2006, were \$160,411,184 (net of accumulated depreciation). This includes land, land improvements, construction in progress, buildings, machinery, equipment, furniture and fixtures, vehicles, and infrastructure.

For business-type activities, major capital asset additions during 2006 included additional work on construction in progress and current year capitalizations relating to various sanitary sewer and waterline extension projects throughout the County.

Table 4 provides a comparison of capital assets as of the end of 2005 and 2006. In addition, Note 10 (Capital Assets) provides capital asset activity during 2006.

Muskingum County, Ohio

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

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Land	\$6,192,040	\$6,180,332	\$199,100	\$199,100	\$6,391,140	\$6,379,432
Land Improvements	32,324,079	32,070,470	0	0	32,324,079	32,070,470
Construction in Progress	0	588,183	2,960,616	3,184,156	2,960,616	3,772,339
Buildings	31,956,765	31,693,258	123,675	143,942	32,080,440	31,837,200
Machinery, Equipment, Furniture and Fixtures	1,805,933	1,226,363	16,662	17,284	1,822,595	1,243,647
Vehicles	1,119,169	881,536	103,929	103,270	1,223,098	984,806
Infrastructure	30,687,818	32,474,508	52,921,398	44,872,605	83,609,216	77,347,113
Total Capital Assets	\$104,085,804	\$105,114,650	\$56,325,380	\$48,520,357	\$160,411,184	\$153,635,007

Long-Term Debt - As of December 31, 2006, the County had total debt outstanding of \$50,766,469, \$28,113,743 in governmental activities and \$22,652,726 in business-type activities. Table 5 outlines the long-term debt held by the County during 2006 and 2005.

Table 5
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
General Obligation Bonds	\$13,900,903	\$13,900,000	\$18,704,448	\$10,931,625	\$32,605,351	\$24,831,625
Special Assessment Debt	894,696	998,463	0	0	894,696	998,463
Revenue Bonds	0	0	543,700	555,800	543,700	555,800
OWDA Loans	0	0	3,404,578	3,287,184	3,404,578	3,287,184
Contracts Payable	12,826,924	13,801,373	0	0	12,826,924	13,801,373
Capital Leases	491,220	201,514	0	0	491,220	201,514
Total Long-Term Debt	\$28,113,743	\$28,901,350	\$22,652,726	\$14,774,609	\$50,766,469	\$43,675,959

In addition to the above debt, the County's long-term obligations include compensated absences and early retirement incentive payables. Additional information on the County's long-term debt can be found in Note 17 of this report.

The County's total unvoted legal debt margin at December 31, 2006, is \$5,444,677.

Moody's Investors Service, Inc. has assigned an underlying rating of A1 to the outstanding general obligation debt of the County. However, a Aaa credit rating was listed on the bonds since the County purchased insurance guaranteeing bond payments.

Economic Factors

The average unemployment rate for the County in 2006 was 7.2 percent, which is a decrease from 8.3 percent from 2005. This rate exceeds the state's average rate for 2006 of 5.5 percent and the average 2006 national rate of 4.6 percent. The decrease is reflective of the recent retail development in the County as well as the overall improving economy.

Muskingum County, Ohio

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

The County's \$1.357 billion tax base has increased 8.2 percent over the last five years. This growth is attributed to an increase in the County's real estate tax values, despite a decline in public utility personal property tax values due to State deregulation and the phase out of the general personal property tax. Real property values within the County have risen steadily over the past several years, and are now at an all time high. The County's permissive sales tax revenues have continued to increase during the past five years despite uncertain economic conditions. This increase can be attributed to numerous retail developments during the period. Even with changes in surrounding economic conditions, the County's General Fund balance remained fairly consistent in 2006.

The various economic factors were considered in the preparation of the County's 2006 budget, and will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

A further discussion of the County and the economic factors which affect the County and its operations can be found in the transmittal letter of this report.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Anita J. Adams, Muskingum County Auditor, 401 Main Street, Zanesville, Ohio 43701.

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Muskingum County, Ohio
Statement of Net Assets
December 31, 2006

	Primary Government			Component Units	
	Governmental Activities	Business - Type Activities	Total	Transportation Improvement District	Muskingum Starlight Industries, Inc.
Assets					
Equity in Pooled Cash and Cash Equivalents	\$34,843,674	\$9,881,428	\$44,725,102	\$41,147	\$0
Cash and Cash Equivalents with Fiscal Agents	1,252,916	0	1,252,916	0	0
Cash and Cash Equivalents	0	0	0	0	375,931
Investments	0	0	0	0	116,024
Prepaid Items	206,162	0	206,162	0	3,549
Permissive Motor Vehicle License Tax Receivable	34,590	0	34,590	0	0
Materials and Supplies Inventory	636,958	2,274	639,232	0	88,957
Permissive Sales Taxes Receivable	2,409,902	0	2,409,902	0	0
Intergovernmental Receivable	5,503,669	548,700	6,052,369	673,087	0
Accounts Receivable	299,738	2,131,729	2,431,467	0	72,764
Internal Balances	(3,031)	3,031	0	0	0
Property Taxes Receivable	16,149,593	0	16,149,593	0	0
Payments in Lieu of Taxes Receivable	492,555	0	492,555	0	0
Loans Receivable	732,898	0	732,898	0	0
Due from Component Unit	252,964	0	252,964	0	0
Special Assessments Receivable	1,459,147	0	1,459,147	0	0
Deferred Charges	9,731	325,154	334,885	0	0
Contracts Receivable	0	0	0	12,826,924	0
Non-Depreciable Capital Assets	38,516,119	3,159,716	41,675,835	0	0
Depreciable Capital Assets, Net	65,569,685	53,165,664	118,735,349	0	23,343
<i>Total Assets</i>	<u>168,367,270</u>	<u>69,217,696</u>	<u>237,584,966</u>	<u>13,541,158</u>	<u>680,568</u>
Liabilities					
Matured Compensated Absences Payable	17,075	0	17,075	0	0
Accrued Wages and Benefits	629,860	13,648	643,508	0	7,002
Intergovernmental Payable	1,289,761	207,355	1,497,116	0	252
Accounts Payable	762,045	55,785	817,830	600	3,268
Contracts Payable	24,600	306,760	331,360	437,795	0
Accrued Interest Payable	69,541	186,589	256,130	0	0
Retainage Payable	20,880	67,560	88,440	0	0
Claims Payable	1,290,789	0	1,290,789	0	0
Deferred Revenue	14,399,199	0	14,399,199	0	0
Deferred Income	0	0	0	0	18,524
Notes Payable	1,218,391	5,380,000	6,598,391	0	0
Intergovernmental Loans Payable	0	0	0	8,163	0
Due to Primary Government	0	0	0	252,964	0
Long-Term Liabilities:					
Due Within One Year	3,549,905	839,530	4,389,435	1,013,533	0
Due In More Than One Year	28,150,061	21,892,743	50,042,804	11,813,391	0
<i>Total Liabilities</i>	<u>51,422,107</u>	<u>28,949,970</u>	<u>80,372,077</u>	<u>13,526,446</u>	<u>29,046</u>
Net Assets					
Invested in Capital Assets, Net of Related Debt	76,740,170	32,786,571	109,526,741	0	0
Restricted for:					
Capital Projects	2,375,999	0	2,375,999	0	0
Debt Service	1,335,528	0	1,335,528	0	0
Road and Bridge Projects	3,207,748	0	3,207,748	0	0
County Home Program	1,241,994	0	1,241,994	0	0
Starlight School Program	9,642,176	0	9,642,176	0	0
Children Services	3,541,258	0	3,541,258	0	0
Loan Guaranty	925,754	0	925,754	0	0
Other Purposes	6,658,855	0	6,658,855	0	0
Unrestricted	11,275,681	7,481,155	18,756,836	14,712	651,522
<i>Total Net Assets</i>	<u>\$116,945,163</u>	<u>\$40,267,726</u>	<u>\$157,212,889</u>	<u>\$14,712</u>	<u>\$651,522</u>

See accompanying notes to the basic financial statements

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

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	
Primary Government:				
Governmental Activities:				
General Government:				
Legislative and Executive	\$9,926,117	\$3,941,922	\$23,364	\$0
Judicial	6,253,392	860,604	497,576	0
Public Safety	10,781,512	2,137,503	1,025,285	0
Public Works	9,799,321	843,687	5,504,376	2,103,796
Health	1,229,423	409,305	244,359	0
Human Services	36,982,530	3,693,398	25,274,545	64
Intergovernmental	2,827,253	0	229,599	0
Interest and Fiscal Charges	803,774	0	0	0
<i>Total Governmental Activities</i>	<u>78,603,322</u>	<u>11,886,419</u>	<u>32,799,104</u>	<u>2,103,860</u>
Business-Type Activities:				
Sewer	3,254,399	2,150,722	0	2,226,065
Water	2,775,820	2,883,911	0	1,319,604
<i>Total Business-Type Activities</i>	<u>6,030,219</u>	<u>5,034,633</u>	<u>0</u>	<u>3,545,669</u>
<i>Total Primary Government</i>	<u><u>\$84,633,541</u></u>	<u><u>\$16,921,052</u></u>	<u><u>\$32,799,104</u></u>	<u><u>\$5,649,529</u></u>
Component Units:				
Transportation Improvement District	\$2,296,654	\$526,500	\$0	\$2,585,953
Muskingum Starlight Industries, Inc.	708,148	451,103	382	0
<i>Total Component Units</i>	<u>\$3,004,802</u>	<u>\$977,603</u>	<u>\$382</u>	<u>\$2,585,953</u>

General Revenues

Property Taxes Levied for:

 General Purposes

 Public Safety - Sheriff Levy

 Health - Tuberculosis

 Health - Mental Health

 Human Services - Senior Citizens

 Human Services - County Home

 Human Services - Starlight School

 Human Services - Children Services

Sales Taxes Levied for General Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Payments in Lieu of Taxes

Gain on Sale of Capital Assets

Miscellaneous

In-Kind Contribution

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets (Deficit) Beginning of Year - Restated (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Change in Net Assets

Primary Government			Component Units	
Governmental Activities	Business - Type Activities	Total	Transportation Improvement District	Muskingum Starlight Industries, Inc.
(\$5,960,831)	\$0	(\$5,960,831)	\$0	\$0
(4,895,212)	0	(4,895,212)	0	0
(7,618,724)	0	(7,618,724)	0	0
(1,347,462)	0	(1,347,462)	0	0
(575,759)	0	(575,759)	0	0
(8,014,523)	0	(8,014,523)	0	0
(2,597,654)	0	(2,597,654)	0	0
(803,774)	0	(803,774)	0	0
<u>(31,813,939)</u>	<u>0</u>	<u>(31,813,939)</u>	<u>0</u>	<u>0</u>
0	1,122,388	1,122,388	0	0
0	1,427,695	1,427,695	0	0
0	2,550,083	2,550,083	0	0
<u>(31,813,939)</u>	<u>2,550,083</u>	<u>(29,263,856)</u>	<u>0</u>	<u>0</u>
0	0	0	815,799	0
0	0	0	0	(256,663)
0	0	0	815,799	(256,663)
2,686,036	0	2,686,036	0	0
396,773	0	396,773	0	0
494,280	0	494,280	0	0
980,990	0	980,990	0	0
589,984	0	589,984	0	0
3,021,990	0	3,021,990	0	0
3,259,357	0	3,259,357	0	0
367,274	0	367,274	0	0
14,774,019	0	14,774,019	0	0
1,921,577	0	1,921,577	10,269	0
3,117,217	43,495	3,160,712	0	13,038
491,029	0	491,029	0	0
632	0	632	0	0
518,725	64,614	583,339	2,400	77
0	0	0	0	227,863
<u>32,619,883</u>	<u>108,109</u>	<u>32,727,992</u>	<u>12,669</u>	<u>240,978</u>
43,824	(43,824)	0	0	0
<u>32,663,707</u>	<u>64,285</u>	<u>32,727,992</u>	<u>12,669</u>	<u>240,978</u>
849,768	2,614,368	3,464,136	828,468	(15,685)
<u>116,095,395</u>	<u>37,653,358</u>	<u>153,748,753</u>	<u>(813,756)</u>	<u>667,207</u>
<u>\$116,945,163</u>	<u>\$40,267,726</u>	<u>\$157,212,889</u>	<u>\$14,712</u>	<u>\$651,522</u>

Muskingum County, Ohio
Balance Sheet
Governmental Funds
December 31, 2006

	General	Public Assistance	Motor Vehicle and Gasoline Tax	County Home Levy	Starlight School Levy	Children Services Levy
Assets						
Equity in Pooled Cash and Cash Equivalents	\$9,558,186	\$353,979	\$1,429,039	\$977,805	\$8,230,316	\$3,515,870
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	1,252,916	0
Restricted Cash and Cash Equivalents	107,967	0	0	0	0	0
Receivables:						
Property Taxes	3,374,844	0	0	3,516,417	3,651,785	2,813,132
Payments in Lieu of Taxes	192,491	0	0	25,631	42,196	20,505
Permissive Sales Taxes	2,409,902	0	0	0	0	0
Permissive Motor Vehicle License Tax	0	0	34,590	0	0	0
Accounts	111,830	0	0	0	0	22,428
Intergovernmental	1,089,895	253,939	2,448,053	148,527	339,322	202,541
Interfund	310,649	0	0	0	0	220,624
Special Assessments	0	0	0	0	0	0
Loans	349,669	0	0	0	0	0
Due from Component Unit	218,977	0	33,987	0	0	0
Materials and Supplies Inventory	169,010	10,974	340,397	6,788	24,752	12,278
Prepaid Items	199,022	133	0	0	177	0
<i>Total Assets</i>	<u>\$18,092,442</u>	<u>\$619,025</u>	<u>\$4,286,066</u>	<u>\$4,675,168</u>	<u>\$13,541,464</u>	<u>\$6,807,378</u>
Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$263,403	\$70,204	\$151,125	\$7,564	\$23,428	\$142,310
Contracts Payable	8,400	0	0	0	0	0
Accrued Interest Payable	0	0	0	0	0	0
Accrued Wages and Benefits	222,088	94,903	55,365	44,597	73,316	45,632
Matured Compensated Absences Payable	5,016	518	0	0	1,136	0
Retainage Payable	0	0	0	0	0	0
Interfund Payable	290,894	265,590	8,235	10,567	19,566	12,997
Intergovernmental Payable	544,122	193,466	63,746	79,048	133,402	117,844
Notes Payable	0	0	0	0	0	0
Deferred Revenue	5,734,693	164,983	1,965,702	3,664,944	3,936,166	3,125,671
<i>Total Liabilities</i>	<u>7,068,616</u>	<u>789,664</u>	<u>2,244,173</u>	<u>3,806,720</u>	<u>4,187,014</u>	<u>3,444,454</u>
Fund Balances						
Reserved (See Note 25)	383,552	1,502,367	137,316	5,841	57,148	58,604
Unreserved:						
Undesignated, Reported in:						
General Fund	10,640,274	0	0	0	0	0
Special Revenue Funds (Deficit)	0	(1,673,006)	1,904,577	862,607	9,297,302	3,304,320
Debt Service Funds	0	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>11,023,826</u>	<u>(170,639)</u>	<u>2,041,893</u>	<u>868,448</u>	<u>9,354,450</u>	<u>3,362,924</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$18,092,442</u>	<u>\$619,025</u>	<u>\$4,286,066</u>	<u>\$4,675,168</u>	<u>\$13,541,464</u>	<u>\$6,807,378</u>

See accompanying notes to the basic financial statements

Other Governmental Funds	Total Governmental Funds
\$8,327,351	\$32,392,546
0	1,252,916
1,499,533	1,607,500
2,793,415	16,149,593
211,732	492,555
0	2,409,902
0	34,590
165,480	299,738
1,021,392	5,503,669
291,154	822,427
1,459,147	1,459,147
383,229	732,898
0	252,964
72,759	636,958
6,830	206,162
<u>\$16,232,022</u>	<u>\$64,253,565</u>

\$104,011	\$762,045
16,200	24,600
10,816	10,816
93,959	629,860
10,405	17,075
20,880	20,880
167,609	775,458
158,133	1,289,761
1,218,391	1,218,391
5,293,543	23,885,702
<u>7,093,947</u>	<u>28,634,588</u>

1,689,890	3,834,718
0	10,640,274
4,969,337	18,665,137
466,926	466,926
2,011,922	2,011,922
<u>9,138,075</u>	<u>35,618,977</u>
<u>\$16,232,022</u>	<u>\$64,253,565</u>

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

Total Governmental Fund Balances \$35,618,977

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 104,085,804

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Property Taxes	1,750,394	
Permissive Sales Taxes	1,270,961	
Special Assessments	1,459,147	
Intergovernmental	4,735,624	
Charges for Services	244,310	
Fines and Forfeitures	25,949	
Rent	118	
Total	9,486,503	9,486,503

Internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. (497,161)

Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds. 9,731

Long-term liabilities and accrued interest are not due and payable in the current period and therefore are not reported in the funds:

General Obligation Bonds	(13,900,903)	
Compensated Absences	(2,959,691)	
Accrued Interest Payable	(58,725)	
Special Assessments Bonds	(894,696)	
Early Retirement Incentive	(626,532)	
Long-Term Contracts Payable	(12,826,924)	
Capital Leases	(491,220)	
Total	(31,758,691)	(31,758,691)

Net Assets of Governmental Activities \$116,945,163

See accompanying notes to the basic financial statements

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

	General	Public Assistance	Motor Vehicle and Gasoline Tax	County Home Levy	Starlight School Levy
Revenues					
Property Taxes	\$2,669,003	\$0	\$0	\$3,037,313	\$3,288,315
Special Assessments	0	0	0	0	0
Permissive Sales Taxes	14,718,402	0	0	0	0
Permissive Motor Vehicle License Tax	0	0	458,632	0	0
Charges for Services	4,538,612	1,064,028	315	684,357	0
Licenses and Permits	6,390	0	5,260	0	0
Fines and Forfeitures	394,373	0	97,572	0	0
Intergovernmental	2,323,461	14,854,418	5,251,371	466,637	3,547,166
Interest	3,064,553	0	32,652	0	0
Payments in Lieu of Taxes	192,706	0	0	25,824	40,417
Rent	148,522	0	0	0	0
Contributions and Donations	0	0	35,737	1,270	57,014
Other	114,730	9,626	259,353	2,943	12,342
<i>Total Revenues</i>	<u>28,170,752</u>	<u>15,928,072</u>	<u>6,140,892</u>	<u>4,218,344</u>	<u>6,945,254</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	7,863,122	0	0	0	0
Judicial	5,922,821	0	0	0	0
Public Safety	8,293,514	0	0	0	0
Public Works	207,302	0	5,517,878	0	0
Health	474,131	0	0	0	0
Human Services	446,091	15,857,840	0	3,331,686	6,611,483
Capital Outlay	0	0	435,023	0	0
Intergovernmental	948,686	0	123,859	0	0
Debt Service:					
Principal Retirement	1,828	4,527	137,299	0	0
Interest and Fiscal Charges	512	683	13,820	0	0
Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>24,158,007</u>	<u>15,863,050</u>	<u>6,227,879</u>	<u>3,331,686</u>	<u>6,611,483</u>
<i>Excess of Revenues Over(Under) Expenditures</i>	<u>4,012,745</u>	<u>65,022</u>	<u>(86,987)</u>	<u>886,658</u>	<u>333,771</u>
Other Financing Sources (Uses)					
Proceeds from the Sale of Capital Assets	15,959	0	0	0	0
Inception of Capital Lease	0	0	435,023	0	0
General Obligation Bonds Issued	0	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0	0
Transfers In	206,592	533,232	723	0	17,841
Transfers Out	(4,168,899)	(22,255)	(311,811)	0	(500,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(3,946,348)</u>	<u>510,977</u>	<u>123,935</u>	<u>0</u>	<u>(482,159)</u>
<i>Net Change in Fund Balances</i>	66,397	575,999	36,948	886,658	(148,388)
Fund Balances (Deficit) at Beginning of Year - Restated (See Note 3)	10,957,429	(746,638)	2,004,945	(18,210)	9,502,838
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$11,023,826</u>	<u>(\$170,639)</u>	<u>\$2,041,893</u>	<u>\$868,448</u>	<u>\$9,354,450</u>

See accompanying notes to the basic financial statements

Children Services Levy	Other Governmental Funds	Total Governmental Funds
\$70,358	\$2,476,325	\$11,541,314
0	79,349	79,349
0	0	14,718,402
0	0	458,632
1,582,931	1,644,812	9,515,055
0	461,907	473,557
0	210,566	702,511
3,032,752	6,996,374	36,472,179
0	83,681	3,180,886
20,505	211,577	491,029
0	418,516	567,038
1,544	19,648	115,213
34,178	85,663	518,835
<u>4,742,268</u>	<u>12,688,418</u>	<u>78,834,000</u>
0	1,175,165	9,038,287
0	148,059	6,070,880
0	1,983,934	10,277,448
0	2,731,498	8,456,678
0	721,909	1,196,040
6,066,822	4,794,440	37,108,362
0	1,925,806	2,360,829
0	1,754,708	2,827,253
0	965,844	1,109,498
0	787,670	802,685
0	9,731	9,731
<u>6,066,822</u>	<u>16,998,764</u>	<u>79,257,691</u>
<u>(1,324,554)</u>	<u>(4,310,346)</u>	<u>(423,691)</u>
0	0	15,959
0	0	435,023
0	860,000	860,000
0	903	903
0	4,916,673	5,675,061
0	(628,272)	(5,631,237)
<u>0</u>	<u>5,149,304</u>	<u>1,355,709</u>
(1,324,554)	838,958	932,018
<u>4,687,478</u>	<u>8,299,117</u>	<u>34,686,959</u>
<u>\$3,362,924</u>	<u>\$9,138,075</u>	<u>\$35,618,977</u>

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

Net Change in Fund Balances - Governmental Funds \$932,018

Amounts reported for governmental activities in the statement of activities are different because:

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 outlay and capital contributions in the current period:

Capital Asset Additions	3,326,879	
Capital Contributions from Developers	385,001	
Current Year Depreciation	<u>(3,997,004)</u>	
Total		(285,124)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the gain and loss on disposal of assets:

Loss on disposal of capital assets	(744,354)	
Gain on disposal of capital assets	<u>632</u>	
		(743,722)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:

Property Taxes	255,370	
Special Assessments	(79,349)	
Permissive Sales Taxes	55,617	
Charges for Services	172,894	
Fines and Forfeitures	(3,151)	
Intergovernmental	(205,831)	
Interest	(20,295)	
Rent	(117)	
Other	<u>(110)</u>	
Total		175,028

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

General Obligation Bonds	860,000	
Special Assessment Bonds Payable	104,181	
Capital Leases	<u>145,317</u>	
Total		1,109,498

Amortization of deferred amount on refunding. (414)

Other financing sources and uses in the governmental funds that increase long-term liabilities in the statement of net assets:

General Obligation Bonds Issued	(860,000)	
Bond Premium	(903)	
Issuance Costs	<u>9,731</u>	
		(851,172)

Inception of capital lease is reported as an other financing source in the governmental funds, but the inception increases long-term liabilities on the Statement of Net Assets. (435,023)

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. (675)

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:

Compensated Absences Payable	(109,175)	
Early Retirement Incentive	(120,567)	
Long-Term Contracts Payable	<u>974,449</u>	
Total		744,707

The internal service funds used by management to charge the costs of insurance to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service funds' revenues are eliminated. The net change of the internal service funds is allocated among governmental activities. 204,647

Change in Net Assets of Governmental Activities \$849,768

See accompanying notes to the basic financial statements

Muskingum County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2006

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property Taxes	\$2,626,972	\$2,626,972	\$2,677,756	\$50,784
Permissive Sales Taxes	12,500,000	12,500,000	14,651,171	2,151,171
Charges for Services	3,762,760	4,517,179	4,541,139	23,960
Licenses and Permits	5,450	5,350	6,390	1,040
Fines and Forfeitures	380,000	381,400	393,816	12,416
Intergovernmental	1,956,584	1,956,831	2,359,401	402,570
Interest	1,000,000	1,001,500	2,905,858	1,904,358
Payments in Lieu of Taxes	185,000	185,000	192,561	7,561
Rent	94,944	94,944	149,140	54,196
Contributions and Donations	0	0	16,103	16,103
Other	57,634	133,834	121,343	(12,491)
<i>Total Revenues</i>	<u>22,569,344</u>	<u>23,403,010</u>	<u>28,014,678</u>	<u>4,611,668</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	9,715,711	9,658,214	8,068,919	1,589,295
Judicial	6,258,861	6,306,048	5,877,571	428,477
Public Safety	8,313,397	8,452,159	8,316,437	135,722
Public Works	341,608	341,608	216,671	124,937
Health	490,030	493,523	491,577	1,946
Human Services	531,053	531,449	444,425	87,024
Intergovernmental	3,553,353	1,067,824	667,332	400,492
Debt Service:				
Principal Retirement	1,828	1,828	1,828	0
Interest and Fiscal Charges	512	512	512	0
<i>Total Expenditures</i>	<u>29,206,353</u>	<u>26,853,165</u>	<u>24,085,272</u>	<u>2,767,893</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(6,637,009)</u>	<u>(3,450,155)</u>	<u>3,929,406</u>	<u>7,379,561</u>
Other Financing Sources (Uses)				
Proceeds from the Sale of Capital Assets	0	0	15,959	15,959
Advances In	0	0	157,329	157,329
Advances Out	0	0	(231,181)	(231,181)
Transfers In	76,773	446,069	206,592	(239,477)
Transfers Out	(1,270,886)	(4,110,657)	(3,880,302)	230,355
<i>Total Other Financing Sources (Uses)</i>	<u>(1,194,113)</u>	<u>(3,664,588)</u>	<u>(3,731,603)</u>	<u>(67,015)</u>
<i>Net Change in Fund Balance</i>	(7,831,122)	(7,114,743)	197,803	7,312,546
Fund Balance at Beginning of Year	8,050,405	8,050,405	8,050,405	0
Prior Year Encumbrances Appropriated	418,841	418,841	418,841	0
<i>Fund Balance at End of Year</i>	<u>\$638,124</u>	<u>\$1,354,503</u>	<u>\$8,667,049</u>	<u>\$7,312,546</u>

See accompanying notes to the basic financial statements

Muskingum County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$815,073	\$815,073	\$1,064,028	\$248,955
Intergovernmental	10,785,211	18,956,461	14,422,006	(4,534,455)
Other	10,716	10,716	10,716	0
<i>Total Revenues</i>	<u>11,611,000</u>	<u>19,782,250</u>	<u>15,496,750</u>	<u>(4,285,500)</u>
Expenditures				
Current:				
Human Services	13,421,429	20,280,715	18,435,328	1,845,387
Debt Service:				
Principal Retirement	4,527	4,527	4,527	0
Interest and Fiscal Charges	683	683	683	0
<i>Total Expenditures</i>	<u>13,426,639</u>	<u>20,285,925</u>	<u>18,440,538</u>	<u>1,845,387</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,815,639)</u>	<u>(503,675)</u>	<u>(2,943,788)</u>	<u>(2,440,113)</u>
Other Financing Sources (Use)				
Advances In	0	0	19,760	19,760
Transfers In	420,000	420,000	533,232	113,232
Transfers Out	0	(22,255)	(22,255)	0
<i>Total Other Financing Sources (Use)</i>	<u>420,000</u>	<u>397,745</u>	<u>530,737</u>	<u>132,992</u>
<i>Net Change in Fund Balance</i>	(1,395,639)	(105,930)	(2,413,051)	(2,307,121)
Fund Balance (Deficit) at Beginning of Year	(720,760)	(720,760)	(720,760)	0
Prior Year Encumbrances Appropriated	1,395,638	1,395,638	1,395,638	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>(\$720,761)</u>	<u>\$568,948</u>	<u>(\$1,738,173)</u>	<u>(\$2,307,121)</u>

See accompanying notes to the basic financial statements

Muskingum County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Permissive Motor Vehicle License Tax	\$250,000	\$250,000	\$461,017	\$211,017
Charges for Services	0	0	315	315
Licenses and Permits	0	5,000	5,260	260
Fines and Forfeitures	100,000	100,000	97,572	(2,428)
Intergovernmental	4,824,000	4,939,000	5,143,125	204,125
Interest	14,000	28,000	33,541	5,541
Contributions and Donations	0	35,000	35,737	737
Other	0	471,583	259,608	(211,975)
<i>Total Revenues</i>	<u>5,188,000</u>	<u>5,828,583</u>	<u>6,036,175</u>	<u>207,592</u>
Expenditures				
Current:				
Public Works	5,046,420	6,098,517	5,760,014	338,503
Intergovernmental	250,000	250,000	123,859	126,141
Debt Service:				
Principal Retirement	47,717	137,299	137,299	0
Interest and Fiscal Charges	7,720	13,820	13,820	0
<i>Total Expenditures</i>	<u>5,351,857</u>	<u>6,499,636</u>	<u>6,034,992</u>	<u>464,644</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(163,857)</u>	<u>(671,053)</u>	<u>1,183</u>	<u>672,236</u>
Other Financing Sources (Use)				
Advances In	0	0	8,235	8,235
Transfers In	255,438	351,843	723	(351,120)
Transfers Out	(352,283)	(468,767)	(311,811)	156,956
<i>Total Other Financing Sources (Use)</i>	<u>(96,845)</u>	<u>(116,924)</u>	<u>(302,853)</u>	<u>(185,929)</u>
<i>Net Change in Fund Balance</i>	(260,702)	(787,977)	(301,670)	486,307
Fund Balance at Beginning of Year	1,179,479	1,179,479	1,179,479	0
Prior Year Encumbrances Appropriated	260,702	260,702	260,702	0
<i>Fund Balance at End of Year</i>	<u>\$1,179,479</u>	<u>\$652,204</u>	<u>\$1,138,511</u>	<u>\$486,307</u>

See accompanying notes to the basic financial statements

Muskingum County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
County Home Levy Fund
For the Year Ended December 31, 2006

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property Taxes	\$2,410,903	\$3,141,300	\$3,047,490	(\$93,810)
Charges for Services	610,816	661,208	684,357	23,149
Intergovernmental	286,496	466,637	466,637	0
Payments in Lieu of Taxes	15,500	27,166	27,185	19
Contributions and Donations	1,200	1,200	1,270	70
Other	675	5,959	2,943	(3,016)
<i>Total Revenues</i>	3,325,590	4,303,470	4,229,882	(73,588)
Expenditures				
Current:				
Human Services	3,325,590	3,395,916	3,313,081	82,835
<i>Excess of Revenues Over Expenditures</i>	0	907,554	916,801	9,247
Other Financing Source (Use)				
Advances In	0	0	10,567	10,567
Advances Out	0	0	(47,000)	(47,000)
<i>Total Other Financing Source (Use)</i>	0	0	(36,433)	(36,433)
<i>Net Change in Fund Balance</i>	0	907,554	880,368	(27,186)
Fund Balance at Beginning of Year	1,072	1,072	1,072	0
<i>Fund Balance at End of Year</i>	\$1,072	\$908,626	\$881,440	(\$27,186)

See accompanying notes to the basic financial statements

Muskingum County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Starlight School Levy Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$3,200,000	\$3,308,670	\$3,308,670	\$0
Intergovernmental	2,261,886	3,605,079	3,610,142	5,063
Payments in Lieu of Taxes	0	0	44,724	44,724
Contributions and Donations	15,000	37,000	57,014	20,014
Other	800	24,198	12,342	(11,856)
<i>Total Revenues</i>	<u>5,477,686</u>	<u>6,974,947</u>	<u>7,032,892</u>	<u>57,945</u>
Expenditures				
Current:				
Human Services	<u>7,674,508</u>	<u>7,712,707</u>	<u>6,662,418</u>	<u>1,050,289</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,196,822)</u>	<u>(737,760)</u>	<u>370,474</u>	<u>1,108,234</u>
Other Financing Sources (Use)				
Advances In	0	0	19,566	19,566
Transfers In	0	98,839	17,841	(80,998)
Transfers Out	0	(580,998)	(500,000)	80,998
<i>Total Other Financing Sources (Use)</i>	<u>0</u>	<u>(482,159)</u>	<u>(462,593)</u>	<u>19,566</u>
<i>Net Change in Fund Balance</i>	(2,196,822)	(1,219,919)	(92,119)	1,127,800
Fund Balance at Beginning of Year	9,169,605	9,169,605	9,169,605	0
Prior Year Encumbrances Appropriated	<u>146,561</u>	<u>146,561</u>	<u>146,561</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$7,119,344</u></u>	<u><u>\$8,096,247</u></u>	<u><u>\$9,224,047</u></u>	<u><u>\$1,127,800</u></u>

See accompanying notes to the basic financial statements

Muskingum County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Children Services Levy Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$3,846,611	\$0	\$0	\$0
Charges for Services	1,471,573	1,471,573	1,473,349	1,776
Intergovernmental	3,118,205	3,118,205	3,100,823	(17,382)
Contributions and Donations	500	500	1,544	1,044
Other	5,200	5,200	12,846	7,646
<i>Total Revenues</i>	<u>8,442,089</u>	<u>4,595,478</u>	<u>4,588,562</u>	<u>(6,916)</u>
Expenditures				
Current:				
Human Services	<u>8,832,101</u>	<u>8,987,100</u>	<u>6,159,108</u>	<u>2,827,992</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(390,012)	(4,391,622)	(1,570,546)	2,821,076
Other Financing Source				
Advances In	<u>0</u>	<u>0</u>	<u>12,997</u>	<u>12,997</u>
<i>Net Change in Fund Balance</i>	(390,012)	(4,391,622)	(1,557,549)	2,834,073
Fund Balance at Beginning of Year	4,455,720	4,455,720	4,455,720	0
Prior Year Encumbrances Appropriated	<u>321,282</u>	<u>321,282</u>	<u>321,282</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$4,386,990</u>	<u>\$385,380</u>	<u>\$3,219,453</u>	<u>\$2,834,073</u>

See accompanying notes to the basic financial statements

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

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$3,920,004	\$1,733,203	\$5,653,207	\$843,628
Restricted Cash and Cash Equivalents	4,173,090	55,131	4,228,221	0
Materials and Supplies Inventory	1,774	500	2,274	0
Receivables:				
Intergovernmental	0	548,700	548,700	0
Accounts	1,726,280	405,449	2,131,729	0
Interfund	6,803	0	6,803	0
<i>Total Current Assets</i>	<u>9,827,951</u>	<u>2,742,983</u>	<u>12,570,934</u>	<u>843,628</u>
Noncurrent Assets:				
Deferred Charges	195,380	129,774	325,154	0
Non-Depreciable Capital Assets	2,144,080	1,015,636	3,159,716	0
Depreciable Capital Assets, Net	32,314,870	20,850,794	53,165,664	0
<i>Total Noncurrent Assets</i>	<u>34,654,330</u>	<u>21,996,204</u>	<u>56,650,534</u>	<u>0</u>
<i>Total Assets</i>	<u>44,482,281</u>	<u>24,739,187</u>	<u>69,221,468</u>	<u>843,628</u>
Liabilities				
Current Liabilities:				
Accrued Wages and Benefits	6,061	7,587	13,648	0
Intergovernmental Payable	89,184	118,171	207,355	0
Accounts Payable	27,540	28,245	55,785	0
Contracts Payable	168,413	138,347	306,760	0
Accrued Interest Payable	162,534	24,055	186,589	0
Retainage Payable	12,429	55,131	67,560	0
Interfund Payable	1,524	2,248	3,772	50,000
Claims Payable	0	0	0	1,290,789
Notes Payable	5,380,000	0	5,380,000	0
Current Portion of Compensated Absences Payable	13,790	22,939	36,729	0
Current Portion of General Obligation Bonds Payable	411,500	260,000	671,500	0
Current Portion of Revenue Bonds Payable	13,200	0	13,200	0
Current Portion of OWDA Loans Payable	24,946	93,155	118,101	0
<i>Total Current Liabilities</i>	<u>6,311,121</u>	<u>749,878</u>	<u>7,060,999</u>	<u>1,340,789</u>
Long-Term Liabilities (Net of Current Portion):				
Compensated Absences Payable	15,067	27,751	42,818	0
General Obligation Bonds Payable	11,638,359	6,394,589	18,032,948	0
Revenue Bonds Payable	530,500	0	530,500	0
OWDA Loans Payable	217,331	3,069,146	3,286,477	0
<i>Total Long-Term Liabilities</i>	<u>12,401,257</u>	<u>9,491,486</u>	<u>21,892,743</u>	<u>0</u>
<i>Total Liabilities</i>	<u>18,712,378</u>	<u>10,241,364</u>	<u>28,953,742</u>	<u>1,340,789</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	20,607,257	12,179,314	32,786,571	0
Unrestricted (Deficit)	5,162,646	2,318,509	7,481,155	(497,161)
<i>Total Net Assets (Deficit)</i>	<u>\$25,769,903</u>	<u>\$14,497,823</u>	<u>\$40,267,726</u>	<u>(\$497,161)</u>

See accompanying notes to the basic financial statements

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

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Operating Revenues				
Charges for Services	<u>\$2,150,722</u>	<u>\$2,883,911</u>	<u>\$5,034,633</u>	<u>\$7,949,734</u>
Operating Expenses				
Personal Services	349,870	619,987	969,857	0
Materials and Supplies	81,558	239,380	320,938	0
Contractual Services	1,009,523	691,231	1,700,754	677,532
Claims	0	0	0	7,071,315
Depreciation	805,021	793,113	1,598,134	0
Amortization Expense	171,873	0	171,873	0
Other	<u>67,414</u>	<u>4,243</u>	<u>71,657</u>	<u>0</u>
<i>Total Operating Expenses</i>	<u>2,485,259</u>	<u>2,347,954</u>	<u>4,833,213</u>	<u>7,748,847</u>
<i>Operating Income (Loss)</i>	<u>(334,537)</u>	<u>535,957</u>	<u>201,420</u>	<u>200,887</u>
Non-Operating Revenues (Expenses)				
Interest	43,495	0	43,495	0
Other Non-Operating Revenues	19,627	44,987	64,614	3,760
Interest and Fiscal Charges	(712,566)	(379,170)	(1,091,736)	0
Loss on Disposal of Capital Assets	<u>(56,574)</u>	<u>(48,696)</u>	<u>(105,270)</u>	<u>0</u>
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(706,018)</u>	<u>(382,879)</u>	<u>(1,088,897)</u>	<u>3,760</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(1,040,555)</u>	<u>153,078</u>	<u>(887,477)</u>	<u>204,647</u>
Capital Contributions from Grantors	0	831,665	831,665	0
Capital Contributions from Developers	312,096	183,082	495,178	0
Capital Contributions from Customers	1,913,969	304,857	2,218,826	0
Transfers In	0	1,000	1,000	0
Transfers Out	<u>(44,824)</u>	<u>0</u>	<u>(44,824)</u>	<u>0</u>
<i>Change in Net Assets</i>	<u>1,140,686</u>	<u>1,473,682</u>	<u>2,614,368</u>	<u>204,647</u>
Net Assets (Deficit) Beginning of Year - Restated (See Note 3)	<u>24,629,217</u>	<u>13,024,141</u>	<u>37,653,358</u>	<u>(701,808)</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$25,769,903</u>	<u>\$14,497,823</u>	<u>\$40,267,726</u>	<u>(\$497,161)</u>

See accompanying notes to the basic financial statements

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

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$2,132,390	\$2,850,061	\$4,982,451	\$0
Cash Received from Transactions with Other Funds	0	0	0	7,949,734
Cash Payments for Employee Services and Benefits	(339,331)	(604,375)	(943,706)	0
Cash Payments for Goods and Services	(1,579,190)	(750,585)	(2,329,775)	(677,532)
Cash Payments for Claims	0	0	0	(7,022,808)
Other Non-Operating Revenues	19,627	44,987	64,614	3,760
Other Operating Expenses	(67,414)	(4,243)	(71,657)	0
<i>Net Cash Provided by Operating Activities</i>	<u>166,082</u>	<u>1,535,845</u>	<u>1,701,927</u>	<u>253,154</u>
Cash Flows from Noncapital Financing Activities				
Advances In	1,524	2,248	3,772	50,000
Transfers In	0	1,000	1,000	0
Transfers Out	(44,824)	0	(44,824)	0
<i>Net Cash Provided by (Used for) Noncapital Financing Activities</i>	<u>(43,300)</u>	<u>3,248</u>	<u>(40,052)</u>	<u>50,000</u>
Cash Flows from Investing Activities				
Interest	43,495	0	43,495	0
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(7,568,127)	(1,616,995)	(9,185,122)	0
Proceeds of Bond Anticipation Notes	9,380,000	0	9,380,000	0
OWDA Loans Received	0	232,289	232,289	0
Tap-In Fees	1,416,557	304,857	1,721,414	0
Capital Grants	0	282,965	282,965	0
Bonds Issued	8,120,000	0	8,120,000	0
Premium on Bonds Issued	8,132	0	8,132	0
Principal Paid on General Obligation Bonds	(136,500)	(255,000)	(391,500)	0
Principal Paid on Bond Anticipation Notes	(9,380,000)	0	(9,380,000)	0
Principal Paid on OWDA Loans	(23,123)	(91,772)	(114,895)	0
Principal Paid on Revenue Bonds	(12,100)	0	(12,100)	0
Interest and Fiscal Charges Paid on General Obligation Bonds	(310,530)	(293,302)	(603,832)	0
Interest and Fiscal Charges Paid on Bond Anticipation Notes	(251,650)	0	(251,650)	0
Bond Issuance Costs	(129,304)	0	(129,304)	0
Issuance Costs Paid on Bond Anticipation Notes	(30,640)	0	(30,640)	0
Interest and Fiscal Charges Paid on OWDA Loans	(18,578)	(45,643)	(64,221)	0
Interest and Fiscal Charges Paid on Revenue Bonds	(25,745)	0	(25,745)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>1,038,392</u>	<u>(1,482,601)</u>	<u>(444,209)</u>	<u>0</u>
<i>Net Increase in Cash and Cash Equivalents</i>	1,204,669	56,492	1,261,161	303,154
Cash and Cash Equivalents Beginning of Year	<u>6,888,425</u>	<u>1,731,842</u>	<u>8,620,267</u>	<u>540,474</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$8,093,094</u>	<u>\$1,788,334</u>	<u>\$9,881,428</u>	<u>\$843,628</u>

(continued)

Muskingum County, Ohio
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2006

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	(\$334,537)	\$535,957	\$201,420	\$200,887
Adjustments:				
Other Non-Operating Revenues	19,627	44,987	64,614	3,760
Depreciation	805,021	793,113	1,598,134	0
Amortization	171,873	0	171,873	0
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(17,795)	(33,850)	(51,645)	0
Increase in Interfund Receivable	(537)	0	(537)	0
Decrease in Prepaid Items	0	2,435	2,435	0
(Increase) Decrease in Materials and Supplies Inventory	326	(500)	(174)	0
Decrease in Accounts Payable	(53,079)	(72,510)	(125,589)	0
Increase (Decrease) in Accrued Wages and Benefits	429	(357)	72	0
Increase (Decrease) in Contracts Payable	(456,333)	138,347	(317,986)	0
Increase in Retainage Payable	12,429	55,131	67,560	0
Increase in Compensated Absences Payable	6,515	10,890	17,405	0
Increase in Claims Payable	0	0	0	48,507
Increase in Intergovernmental Payable	12,143	62,202	74,345	0
<i>Net Cash Provided by Operating Activities</i>	<u>\$166,082</u>	<u>\$1,535,845</u>	<u>\$1,701,927</u>	<u>\$253,154</u>

Noncash Transactions:

During 2006, capital contributions from developers were \$312,096 in the Sewer Enterprise Fund and \$183,082 in the Water Enterprise Fund resulting from donated infrastructure. Capital contributions from customers were \$497,412 due to an increase in receivables for unbilled tap-in fees.

See accompanying notes to the basic financial statements

Muskingum County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2006

Assets

Equity in Pooled Cash and Cash Equivalents	\$12,288,384
Cash and Cash Equivalents in Segregated Accounts	566,866
Receivables:	
Permissive Motor Vehicle License Tax	3,740
Intergovernmental	4,409,490
Accounts	1,799,918
Property Taxes	55,544,971
Payments in Lieu of Taxes	1,246,104
	<u>1,246,104</u>

<i>Total Assets</i>	<u><u>\$75,859,473</u></u>
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Liabilities

Intergovernmental Payable	\$70,009,087
Deposits Held and Due to Others	4,527
Undistributed Monies	5,835,859
	<u>5,835,859</u>

<i>Total Liabilities</i>	<u><u>\$75,849,473</u></u>
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See accompanying notes to the basic financial statements

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

NOTE 1 - REPORTING ENTITY

Established in 1804, Muskingum County, Ohio (the County) is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecutor, Sheriff, two County Court Judges, two Common Pleas Court Judges, and a Probate Court Judge. Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body, and chief administrators of public services for the County, including each of these departments.

Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the County are not misleading.

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Muskingum County, this includes the Children Services Board, the Board of Mental Retardation and Developmental Disabilities, the Tuberculosis Clinic Board, the Board of Mental Health and Recovery Services, and all departments and activities that are directly operated by the elected county officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the program's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can 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 levying of taxes, or the issuance of debt.

The component unit column in the combined financial statements identifies the financial data of the County's component units, the Transportation Improvement District and Muskingum Starlight Industries, Inc. They are discretely reported to emphasize that they are legally separate from the County.

The Transportation Improvement District (TID) is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically formed under the auspices of House Bill 154, and Ohio Revised Code Chapter 5540, as amended, and created by action of the Board of County Commissioners of Muskingum County on November 20, 1995. The District is governed by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members, with five members appointed by a majority vote of the Board of Commissioners.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

One member is appointed by the President of the Ohio Senate and one member is appointed by the Speaker of the House of Representatives. The Board of Directors appoints a Chairman, who presides at all meetings and is the chief officer of the District. He has the authority to sign all contracts, releases, notes, bonds, and other instruments and documents to be executed on behalf of the District. He is the chief officer of the District for the purpose of civil process and is authorized to accept such services on behalf of the District. He performs such other duties and has such authority as may be provided from time to time by the Board. Also, the Zanesville-Muskingum County Port Authority serves as the Administrative Agent for the Muskingum County Transportation Improvement District. The County may impose its will on the District and the relationship between the primary government and the organization is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Separately issued financial statements can be obtained from the Transportation Improvement District, Zanesville, Ohio.

Muskingum Starlight Industries, Inc. is a legally separate, non-governmental, not-for-profit corporation, served by a self-supporting board of trustees. The workshop, under a contractual agreement with the Muskingum County Board of Mental Retardation and Developmental Disabilities (MRDD), provides sheltered employment for mentally retarded or handicapped adults in Muskingum County. The Muskingum County Board of MRDD provides the workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of services), staff to administer and supervise training programs, and other funds as necessary for the operation of the workshop. Based on the significant services and resources provided by the County to the workshop and the workshop's sole purpose of providing assistance to the retarded and handicapped adults of Muskingum County, the workshop is presented as a component unit of Muskingum County. The nature and significance of the relationship between the primary government and the organization is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Separately issued financial statements can be obtained from Muskingum Starlight Industries, Inc., Zanesville, Ohio.

The following potential component units have been excluded from the County's financial statements because the County is not financially accountable for these organizations nor are these entities for which the County approves the budget, the issuing of debt, or the levying of taxes:

Muskingum County Educational Service Center
Muskingum County Law Library
Muskingum County Library System
Muskingum College
Zanesville/Muskingum Convention and Visitors Bureau

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

Zanesville-Muskingum County Health Department is governed by a five member board of health which oversees the operation of the health district and is elected by a regional advisory council. The board adopts its own budget, hires and fires its own staff, and operates autonomously from the County.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

The Zanesville-Muskingum County Port Authority (the Port Authority) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port Authority operates under the direction of a five member Board of Directors. The Board is comprised of two members appointed by the City of Zanesville, two members appointed by Muskingum County, and one member appointed jointly by the City and the County. The Port Authority is authorized to purchase, construct, sell, lease, and operate facilities within its jurisdiction as enumerated in Ohio Revised Code Chapter 4582.

Muskingum County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

The County participates in the following organizations which are defined as jointly governed organizations. Additional financial information concerning the jointly governed organizations is discussed in Note 21.

South East Ohio Joint Solid Waste Management District
Mental Health and Recovery Services Board
Mid East Ohio Regional Council of Governments (MEORC)
Southeast Area Transit Authority (SEAT)
Zanesville-Muskingum Family and Children First Council
Area Agency on Aging
Ohio Mid-Eastern Governments Association (OMEGA)
Licking-Muskingum Community Based Correctional Facility (CBCF)
Zanesville-Muskingum County Port Authority
Perry Multi-County Juvenile Facility
Muskingum County Center for Seniors

The County is associated with the following organizations which are defined as related organizations. Additional financial information concerning the related organizations is presented in Note 22.

Muskingum County Convention Facilities Authority
Zanesville Metropolitan Housing Authority
Muskingum County Park District

The County is associated with the County Risk Sharing Authority, Inc. (CORSA) and the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan which are defined as public entity pools. Additional information concerning these organizations is presented in Note 23.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Assets and the Statement of Activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

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

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

B. Fund Accounting

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

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

General Fund - The General Fund, the County's primary operating fund, accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Public Assistance Fund - To account for various federal and state grants as well as transfers from the General Fund, used to provide public assistance to general relief recipients and to pay their providers of medical assistance, and for certain public social services.

Motor Vehicle and Gasoline Tax Fund - To account for revenues derived from motor vehicle licenses, gasoline taxes, and grants. Ohio state law restricts expenditures in this fund to county road and bridge repair and improvement programs.

County Home Levy Fund - To account for revenues for room and board as well as property taxes used to administer and operate the County Home.

Starlight School Levy Fund - To account for property tax revenues and federal and state grants. Expenditures are restricted by state law to those that benefit the mentally retarded and the developmentally disabled. County expenditures have been for social service contracts, medical providers and costs to maintain and operate buildings and buses provided for the mentally retarded and developmentally disabled.

Children Services Levy Fund - To account for revenues derived from property taxes and state and federal funds. State law restricts the expenditure of these revenues to programs designed to aid homeless children or children from troubled families.

The other governmental funds of the County account for grants and other resources whose use is restricted to a particular purpose.

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

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County reports the following major proprietary funds:

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

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

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

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The internal service funds are used to account for the operation of the County's self-insurance program for employee health benefits and prescription drugs and the County's workers' compensation program through a retrospective rating plan.

Fiduciary Funds Fiduciary fund reporting focuses on net assets and changes in net assets. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The County's fiduciary funds are all classified as agency funds. The agency funds account for assets held by the County as agent for the Board of Health and other districts and entities and for various taxes, assessments, and state shared resources collected on behalf of and distributed to other local governments.

C. Measurement Focus

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

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Changes in 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.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

D. Basis of Accounting

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

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the year for which the taxes are levied. (See Note 7) Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales taxes (see Note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

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

Property taxes for which there is an enforceable legal claim as of December 31, 2006, but which were levied to finance year 2007 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

E. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources in effect at the time final appropriations were passed by the County.

The appropriations resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

Differences between the structures used for budgeting and the fund structure used for generally accepted accounting principles reporting should be disclosed as perspective differences. For the County, this includes three debt service funds. The Note Retirement Fund is combined with the Brandywine Loop Extension Capital Projects Fund which is the fund that reflects the short-term note liability. The Sewer Debt Service Fund and the Water Debt Service Fund are combined with the appropriate enterprise funds in the Proprietary Fund Financial Statements.

F. Cash and Cash Equivalents

Cash balances of the County's funds, except cash held by a trustee, fiscal agent, or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2006, investments were limited to non-participating certificates of deposit, negotiable certificates of deposit, and federal, state, and local agency securities. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Non-participating investment contracts are reported at cost or amortized cost. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments. The County has segregated bank accounts for monies held separate from the County's central bank account. These interest bearing depository accounts are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the County Treasury.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Interest revenue is distributed to the funds according to the Muskingum County Prosecutor's interpretation of Ohio constitutional and statutory requirements. During 2006, interest was distributed to the General Fund, and certain special revenue, capital project, and agency funds. Interest revenue credited to the General Fund during 2006 amounted to \$3,064,553, which includes \$2,604,411 assigned from other County funds.

G. Restricted Assets

Certain resources set aside for the guarantee of a component unit loan repayment are classified as restricted cash on the governmental balance sheet because its use is limited by applicable debt agreements. The governmental balance sheet is also showing restricted cash and cash equivalents for unspent debt proceeds. Restricted cash and cash equivalents in the General Fund represent the amount of unclaimed monies not available for appropriation. Restricted cash and cash equivalents in the Sewer and Water Enterprise Funds represent the amount of unspent debt proceeds and retainage payable as of December 31, 2006.

H. Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility. Using this criteria, the County has elected to not record child support arrearages. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

I. Inventory of Supplies

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

K. Interfund Balances

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

L. Capital Assets

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

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest costs incurred during the construction of capital assets utilized by the enterprise funds are also capitalized.

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

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	50 Years	30-35 Years
Machinery, Equipment, Furniture and Fixtures	5-10 Years	5-10 Years
Vehicles	5 Years	5 Years
Infrastructure	15-50 Years	20-50 Years

The County's infrastructure consists of roads, bridges, water and sewer lines, and sewer capacity and includes infrastructure acquired prior to 1980.

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the County's termination policy. The County records a liability for sick leave for employees after seven years of service at varying rates depending on County policy.

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

On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account "Matured Compensated Absences Payable" in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

N. Accrued Liabilities and Long-Term Obligations

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

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

O. Bond Premiums, Discounts, and Issuance Costs

Bond premiums, discounts, and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recorded as deferred charges and amortized over the term of the related debt.

On the governmental fund financial statements, governmental fund types recognize issuance costs and bond premiums or discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums received or discounts paid on debt issuances are shown as other financing sources or uses on the governmental fund financial statements. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Capital Contributions

Contributions of capital arise from contributions of capital assets from governmental activities to business-type activities, 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.

Q. Fund Balance Reserves

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, long-term contracts payable, loan guaranty loans receivable, and claimants. Reservation for claimants is established because by law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years. Reservations for long-term contracts payable and loan guaranty are for the guarantee of component unit loan repayments.

R. Internal Activity

Internal allocations of overhead expenses from one function to another or within the same function are eliminated on the Statement of Activities.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

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. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include the guarantee of a component unit loan and also the net assets from the Motor Vehicle and Gasoline Tax, Starlight School Levy, and Children Services Levy Special Revenue Funds. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide Statement of Net Assets reports \$28,929,312 of restricted net assets, of which no amounts were restricted by enabling legislation.

T. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for wastewater treatment, sale of water, and self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as non-operating.

U. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence.

V. Estimates

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

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

NOTE 3 - CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF FUND BALANCES/NET ASSETS

A. Change in Accounting Principles

For 2006, the County has implemented GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section" and GASB Statement No. 47 "Accounting for Termination Benefits". The purpose of GASB Statement No. 44 is to improve the understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section. GASB Statement No. 47 establishes accounting standards for termination benefits. The implementation of this statement had no effect on the financial statements as of December 31, 2005.

B. Restatement of Fund Balances/Net Assets

The fund classification was updated as of January 1, 2006 resulting in the Brandywine Loop Extension Fund being reclassified from a capital project funds to a special revenue fund. The amount of this restatement to beginning fund balance is \$82,264. The special revenue fund type balance at December 31, 2005 increased from \$22,076,585 to \$22,158,849. The capital projects fund type balance decreased from \$874,171 to \$791,907.

During 2006, the County is reporting infrastructure that was omitted from the financial statements as of December 31, 2005. Restatements have been made in the Sewer and Water Enterprise Funds in the amounts of \$753,344 and \$282,678, respectively, to properly reflect these assets on the financial statements. Net assets were restated from \$23,875,873 to \$24,629,217 and \$12,741,463 to \$13,024,141, respectively. The total business-type restated net assets as of December 31, 2005 increased from \$36,617,336 to \$37,653,358.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- C. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
- D. Unrecorded cash, unreported interest, and prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

- E. Cash that is held by the agency funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County fund.

Adjustments necessary to convert the results of operations at year-end on the Budget basis to the GAAP basis are as follows:

	Net Change in Fund Balances General and Major Special Revenue Funds					
	General	Public Assistance	Motor Vehicle and Gasoline Tax	County Home	Starlight School Levy	Children Services Levy
GAAP Basis	\$66,397	\$575,999	\$36,948	\$886,658	(\$148,388)	(\$1,324,554)
Net Adjustment for Revenue Accruals	57,575	(83,975)	(540,629)	1,361	69,996	(83,348)
Beginning of the Year:						
Unrecorded Cash	40,928	800	0	0	0	0
Unreported Interest	164,898	0	2,976	0	0	0
Agency Fund						
Cash Allocation	84,388	0	0	98,125	196,251	0
Prepaid Items	181,272	2,348	4,709	0	670	26
End of the Year:						
Unrecorded Cash	(41,306)	(348,147)	0	0	(2,713)	0
Unreported Interest	(386,922)	0	(2,087)	0	0	0
Agency Fund						
Cash Allocation	(75,635)	0	0	(87,948)	(175,896)	(70,358)
Prepaid Items	(199,022)	(133)	0	0	(177)	0
Net Adjustment for						
Expenditure Accruals	585,726	(835,698)	476,619	27,022	29,148	133,747
Transfers Out	288,597	0	0	0	0	0
Advances In	157,329	19,760	8,235	10,567	19,566	12,997
Advances Out	(231,181)	0	0	(47,000)	0	0
Encumbrances	(495,241)	(1,744,005)	(288,441)	(8,417)	(80,576)	(226,059)
Budget Basis	<u>\$197,803</u>	<u>(\$2,413,051)</u>	<u>(\$301,670)</u>	<u>\$880,368</u>	<u>(\$92,119)</u>	<u>(\$1,557,549)</u>

NOTE 5 - ACCOUNTABILITY AND COMPLIANCE

A. Accountability

The following funds had deficit fund balances/net assets as of December 31, 2006:

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

Fund Type/Fund	Net Assets
<u>Special Revenue Funds:</u>	
Public Assistance	\$170,639
Block Grants	6,627
Sheriff Commissary	4,452
Brandywine Loop Extension	386,494
<u>Capital Projects Funds:</u>	
Issue II	212,964
Highway	19,242
Self-Insurance Health Internal Service Fund	685,704

The deficit in the Brandywine Loop Extension Capital Projects Fund is the result of the issuance of debt to finance projects in this fund. Once the debt is retired, the deficit will be eliminated. The deficits in the remaining governmental funds are due to the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides operating transfers for these funds but only as cash is required, not as deficits occur. The deficit in the Self-Insurance Health Internal Service Fund is due to accrued liabilities and the failure to adequately fund this program. In order to alleviate the deficit, the County will review rates at which other County funds are charged for the operation of this program.

B. Legal Compliance

The following accounts had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41, Revised Code:

	Excess
<u>Special Revenue Funds:</u>	
Motor Vehicle and Gasoline Tax	
Public Works	
Fringe Benefits	\$7,664
Real Estate Assessment	
Legislative and Executive	
Fringe Benefits	332
Senior Citizens Levy	
Human Services	
Fringe Benefits	1,834
Sewer Debt Service Fund	
Interest and Fiscal Charges	14,005
Highway Capital Projects Fund	
Capital Outlay	
Capital Outlay	19,469

At the time the original appropriation measure was passed, the Public Assistance Special Revenue Fund had appropriations that exceeded estimated resources plus available balances in the amount of \$720,761 which is contrary to section 5705.39, Revised Code.

The County will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

NOTE 6 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State Statute into two categories, active and inactive.

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

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

Deposits held by the County, which are not considered active, are classified as inactive. Beginning June 15, 2004, inactive monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury Bills, Notes, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivision are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

9. Commercial paper notes, corporate notes, and bankers' acceptances; and,
10. Debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

Repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand

At year-end, the County had \$545,664 in undeposited cash on hand which is included on the financial statements of the County as part of "Equity in Pooled Cash and Cash Equivalents" and "Cash and Cash Equivalents in Segregated Accounts".

Deposits

Custodial Credit Risk Custodial Credit Risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year-end, \$57,585,290 of the County's bank balance of \$58,152,343 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledge to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

At December 31, 2006, the County's Starlight School Levy Special Revenue Fund had a cash balance of \$1,252,916 with MEORC, a jointly governed organization (See Note 21). The money is held by MEORC in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 40. Any risk associated with the cash and cash equivalents and investments for MEORC as a whole may be obtained from their audit report. To obtain financial information, write to the Mid East Ohio Regional Council, Cathy Henthorn, who serves as Associate Director of Business, 160 Columbus Road, Mt. Vernon, Ohio 43050.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

Investments

As of December 31, 2006, the County had the following investments. All investments are in an internal investment pool.

	Fair Value	Maturity	Percent of Total Investments	Rating	Rating Agency
Negotiable Certificates of Deposit	\$99,000	10/17/2007	15.40%	N/A	N/A
Federal Home Loan Mortgage Corporation Bonds	148,821	2/8/2008 to 2/28/2011	23.15%	AAA	S&P
Federal National Mortgage Association Bonds	48,047	3/16/2009	7.48%	AAA	S&P
Federal Home Loan Bank Bonds	297,187	1/26/07 to 10/26/2009	46.24%	AAA	S&P
State and Local Government Series Bonds	<u>49,700</u>	7/1/2007 to 7/1/2014	<u>7.73%</u>	AAA	S&P
Total	<u>\$642,755</u>		<u>100.00%</u>		

Interest Rate Risk The County's investment policy does not address interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity. The intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The County has no investment policy that addresses credit risk.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The negotiable certificates of deposit are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agency but not in the County's name. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk The County places no limit on the amount it may invest in any one issuer. The percentage of total investments is listed in the table above.

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 2006 for real and public utility property taxes represents collections of 2005 taxes. Property tax payments received during 2006 for tangible personal property (other than public utility property) is for 2006 taxes.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

2006 real property taxes are levied after October 1, 2006, on the assessed value as of January 1, 2006, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2006 real property taxes are collected in and intended to finance 2007.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2006 public utility property taxes became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2005, on the value as of December 31, 2005. Collections are made in 2006. Tangible personal property assessments are being phased out - the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008, and zero for 2009.

The full tax rate for all County operations for the year ended December 31, 2006, was \$14.05 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

Real Property	\$1,196,728,300
Public Utility Personal Property	79,420,980
General Business	81,172,633
Total Assessed Value	<u><u>\$1,357,321,913</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established. Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable at September 20.

The County treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2006 and for which there is an enforceable legal claim. In the General Fund and the County Home Levy, Starlight School Levy, Children Services Levy, Tuberculosis Clinic, Senior Citizens Levy, Mental Health Levy, and Sheriff Levy Special Revenue Funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

NOTE 8 - PERMISSIVE SALES AND USE TAXES

In 1971, the County Commissioners by resolution imposed a one-half percent tax, and an additional one-half percent tax in 1982 and 1993, respectively, on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to sales tax. Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited entirely to the General Fund.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2006, consisted of taxes, payments in lieu of taxes, accounts (billings for user charged services, including unbilled utility services and tap-in fees that the County is allowing property owners to pay over time), special assessments, interfund, loans, and intergovernmental receivables arising from grants, entitlements and shared revenues. Management believes all receivables are fully collectible. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for non-payment. Special assessments relating to the payment of debt are not expected to be collected within one year. The amount not scheduled for collection during the subsequent year is \$1,288,316. The County has \$24,725 in delinquent special assessments at December 31, 2006. A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Homestead and Rollback	\$660,553
Local Government Subsidies	627,419
Local Government Revenue Assistance Subsidies	159,287
Breakfast/Lunch Reimbursement	6,917
Public Defender	80,826
Housing of Prisoners	3,100
Detention Reimbursements	34,354
Estate Taxes	20,272
MVL Distribution	1,334,976
Ohio Children's Trust Grant	13,833
911 Wireless Grant	16,889
Victims of Criminal Account Grant	32,061
Cops in Schools Grant	19,470
Federal Highway Grant	174,147
Youth Services Grants and Subsidies	10,268
Community Development Block Grants	488,733
Jail Reduction Grant	14,895
Community Corrections Grant	107,555
Gasoline Excise Tax / Cents Per Gallon	1,113,077
Children Services Grants and Subsidies	83,719
Child Support Enforcement Grants and Subsidies	22,451
Public Assistance Grants and Subsidies	253,939
Starlight School Levy Grants and Subsidies	206,273
Miscellaneous Intergovernmental Receivables	18,655
Total Governmental Activities	<u>5,503,669</u>
<u>Business - Type Activities</u>	
Community Development Block Grants	<u>548,700</u>
Total Entity-Wide Intergovernmental Receivables	<u>\$6,052,369</u>

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

The County entered into Tax Increment Financing Agreements with The Longaberger Company during 1999 and Lowe's Home Center, Inc. during 1994 for the construction of a distribution center and infrastructure improvements. To encourage these improvements, the companies were granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the County in an amount equal to the real property taxes that otherwise would have been due. These payments are being used to finance the above improvements and will continue until the earlier of 30 years or until the revenue in lieu of taxes equals or exceeds the costs of the improvements. A receivable for the amount that will be received by the County in 2007 has been recorded in the Redevelopment Tax Equivalent and the Brandywine Loop Extension Special Revenue Funds. The receivables represent amounts measurable at December 31, 2006.

During 2006 and in previous years, several tax abatement agreements were entered into between the County and local businesses to encourage economic growth in the County. In addition to the abatements, the businesses also agreed to make tax increment financing payments in lieu of taxes. Each agreement states a specified percentage that the businesses will pay based on what the property taxes would normally have been. The receivables have been recorded in each of the levied funds. The County is not able to record a receivable for the entire amount of all payments because the payments are based upon projected collections.

The County is reflecting a \$383,229 loan receivable in the Debt Service Fund with \$20,000 to be received during 2007. This is the result of a loan made to the County Fairboard during 2002. The remaining amount of loans receivable of \$349,669 in the General Fund represents a loan made to the Zanesville-Muskingum County Port Authority. The terms of this loan agreement state that the loan will be repaid to the County within 6 months of the date of the loan which is May 2007.

During 2006, the County issued two loans to the Transportation Improvement District (component unit) in the amount of \$252,964. The first loan was issued by the General Fund during November 2006 for \$218,977 with the condition that it be repaid to the County within 6 months. The second loan was issued by the Motor Vehicle and Gasoline Tax Special Revenue Fund during November 2006 in the amount of \$33,987 to be repaid within 6 months. These loans are presented as Due from Component Unit on the County's financial statements.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

NOTE 10 - CAPITAL ASSETS

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

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<u>Governmental Activities</u>				
Non-Depreciable Capital Assets:				
Land	\$6,180,332	\$12,114	(\$406)	\$6,192,040
Land Improvements	32,070,470	262,876	(9,267)	32,324,079
Construction in Progress	588,183	446,437	(1,034,620)	0
Total Non-Depreciable Capital Assets	<u>38,838,985</u>	<u>721,427</u>	<u>(1,044,293)</u>	<u>38,516,119</u>
Depreciable Capital Assets:				
Buildings	38,555,616	1,034,620	0	39,590,236
Machinery, Equipment, Furniture and Fixtures	5,099,119	1,007,896	0	6,107,015
Vehicles	4,734,567	723,361	(119,025)	5,338,903
Infrastructure	50,642,849	1,259,196	(1,394,763)	50,507,282
Total Depreciable Capital Assets	<u>99,032,151</u>	<u>4,025,073</u>	<u>(1,513,788)</u>	<u>101,543,436</u>
Accumulated Depreciation:				
Buildings	(6,862,358)	(771,113)	0	(7,633,471)
Machinery, Equipment, Furniture and Fixtures	(3,872,756)	(428,326)	0	(4,301,082)
Vehicles	(3,853,031)	(470,401)	103,698	(4,219,734)
Infrastructure	(18,168,341)	(2,327,164)	676,041	(19,819,464)
Total Accumulated Depreciation	<u>(32,756,486)</u>	<u>(3,997,004) *</u>	<u>779,739</u>	<u>(35,973,751)</u>
Total Depreciable Capital Assets, Net	<u>66,275,665</u>	<u>28,069</u>	<u>(734,049)</u>	<u>65,569,685</u>
Governmental Capital Assets, Net	<u>\$105,114,650</u>	<u>\$749,496</u>	<u>(\$1,778,342)</u>	<u>\$104,085,804</u>

During 2006, the State of Ohio contributed \$385,001 in infrastructure. This amount is reflected as Capital Grants and Contributions on the Statement of Activities.

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$225,739
Judicial	100,303
Public Safety	448,656
Public Works	2,805,296
Health	47,815
Human Services	369,195
Total Depreciation Expense	<u>\$3,997,004</u>

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

	Restated Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006
<u>Business - Type Activities</u>				
Non-Depreciable Capital Assets:				
Land	\$199,100	\$0	\$0	\$199,100
Construction in Progress	3,184,156	4,921,550	(5,145,090)	2,960,616
Total Non-Depreciable Capital Assets	<u>3,383,256</u>	<u>4,921,550</u>	<u>(5,145,090)</u>	<u>3,159,716</u>
Depreciable Capital Assets:				
Buildings	631,558	0	0	631,558
Machinery, Equipment, Furniture and Fixtures	74,148	5,322	0	79,470
Vehicles	629,436	45,267	(27,500)	647,203
Infrastructure	63,823,892	9,853,251	(155,627)	73,521,516
Total Depreciable Capital Assets	<u>65,159,034</u>	<u>9,903,840</u>	<u>(183,127)</u>	<u>74,879,747</u>
Accumulated Depreciation:				
Buildings	(487,616)	(20,267)	0	(507,883)
Machinery, Equipment, Furniture and Fixtures	(56,864)	(5,944)	0	(62,808)
Vehicles	(526,166)	(44,608)	27,500	(543,274)
Infrastructure	(18,951,287)	(1,699,188)	50,357	(20,600,118)
Total Accumulated Depreciation	<u>(20,021,933)</u>	<u>(1,770,007) *</u>	<u>77,857</u>	<u>(21,714,083)</u>
Total Depreciable Capital Assets, Net	<u>45,137,101</u>	<u>8,133,833</u>	<u>(105,270)</u>	<u>53,165,664</u>
Business - Type Activities Capital Assets, Net	<u>\$48,520,357</u>	<u>\$13,055,383</u>	<u>(\$5,250,360)</u>	<u>\$56,325,380</u>

*Of this amount, \$171,873 is presented as amortization expense on the Statement of Changes in Fund Net Assets relating to the County's purchased sewer capacity which is included in the above table as part of infrastructure.

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee injuries; and natural disasters. The County contracts with County Risk Sharing Authority, Inc. (CORSA) to address property, liability, and crime insurance coverage. CORSA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty, and crime insurance coverage for its members and was established May 12, 1987. In addition, the County contracts with Hartford Steam Boiler Inspection and Insurance Company for boiler and machinery coverage. Coverage is as follows:

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Property Coverage:

Property	\$104,684,157 replacement cost value
Equipment Breakdown	\$100,000,000 replacement cost value
Crime	\$1,000,000

Liability Coverage:

Automobile Liability	\$1,000,000 each occurrence
Uninsured/Underinsured Motorists	\$250,000 each occurrence
General Liability	\$1,000,000 each occurrence
Stop Gap Liability	\$1,000,000 each occurrence
Medical Professional Liability	\$6,000,000 each occurrence
Law Enforcement Liability	\$1,000,000 each occurrence
Errors and Omissions Liability	\$1,000,000 each occurrence
	\$1,000,000 annual aggregate
Excess Liability	\$5,000,000

<u>Boiler and Machinery Cover</u>	\$100,000,000 limit
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The deductible on the above coverage for each occurrence is \$5,000.

Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The County maintains a limited risk health insurance program for employees through McKinley Life Insurance Company. Premiums are paid to a third party administrator, Aultra Administrative Group. The claims are processed and monitored by a County insurance administrator in conjunction with the third party administrator. An internal service fund is presented in the financial statements and reflects premiums paid into the Self-Insurance Health Internal Service Fund by other funds which are available to pay claims and administrative costs, and establish claim reserves. An excess coverage insurance policy covers annual individual claims in excess of \$100,000 and aggregate annual claims in excess of \$9,061,392.

From 1992 through 1999, the County maintained a retrospective rating workers' compensation program. Under the retrospective rating program, the County accumulated workers' compensation premiums in the Self-Insurance Workers' Compensation Internal Service Fund based upon rates actuarially determined by the State of Ohio. A portion of the premiums accumulated was paid directly to the State of Ohio, and the remaining premiums were maintained in the Self-Insurance Workers' Compensation Internal Service Fund for the payment of future claims. In 2000, the County rejoined the State of Ohio Workers' Compensation Plan.

The claims liabilities of the Self-Insurance Health and Self-Insurance Workers' Compensation Internal Service Funds of \$1,271,000 and \$19,789, respectively, reported at December 31, 2006 are based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Amounts reported were provided by the County's third party administrators. Changes in the funds' claims liability in 2005 and 2006 were:

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

Fund	Balance at Beginning of Year	Change in Estimate	Current Year Claims	Claims Payments	Balance at End of Year
Self Insurance Health					
2005	\$1,177,000	\$0	\$6,687,127	\$6,636,127	\$1,228,000
2006	1,228,000	0	7,064,793	7,021,793	1,271,000
Self-Insurance					
Workers' Compensation					
2005	21,073	(6,791)	0	0	14,282
2006	14,282	0	6,522	1,015	19,789

For 2006, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. (See Note 23) The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings that accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. For the County, a savings of approximately \$75,978 was realized on the annual premium cost. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

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

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 E. Town St., Columbus, OH 43215-4642 or by calling (614) 222-6705 or (800)-222-7377.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary. The County's contribution rate for pension benefits for 2006 was 9.2 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 12.43 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$3,021,972, \$3,056,549, and \$3,018,869, respectively; 97 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$50,311 made by the County and \$33,051 made by the plan members.

B. State Teachers Retirement System (STRS)

Certified teachers, employed by the school for Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS Ohio provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds, times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004 were \$114,015, \$123,694, and \$126,846, respectively; 100 percent has been contributed for fiscal years 2006, 2005, and 2004. Contributions to the DC and Combined Plans for fiscal year 2006 were \$312 made by the County and \$328 made by the plan members.

NOTE 13 - POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.7 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care costs were assumed to increase between .50 and 6.00 percent annually for the next nine years and 4.00 percent annually after nine years.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

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

The number of active contributing participants in the traditional and combined plans as of December 31, 2006 was 369,214 and 358,804 as of December 31, 2005. Actual employer contributions for 2006 which were used to fund postemployment benefits were \$1,424,316. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) were \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 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. To improve the solvency of the Health Care Fund, OPERS created a separate investment pool for health care assets. Member and employer contribution rates increased as of January 1, 2006, and January 1, 2007, which will allow additional funds to be allocated to the health care plan.

B. State Teachers Retirement System (STRS)

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

All STRS Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Ohio Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$8,770 for 2006.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2006, (the latest information available) the balance in the Fund was \$3.5 billion. For the year ended June 30, 2006, net health care costs paid by STRS were \$282,743,000 and STRS Ohio had 119,184 eligible benefit recipients.

NOTE 14 - OTHER EMPLOYEE BENEFITS

A. Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time is paid upon separation if the employee has at least one year of service with the County. Accumulated, unused sick leave and compensatory time are paid upon retirement to an employee at varying rates depending on length of service and department policy.

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2006

B. Other Health Insurance Options

The County offers additional health insurance options to employees not covered under the health self-insurance program. Aultra Administrative Group health coverage is one alternative. The County also offers life insurance coverage through MetLife Inc., vision coverage through the Vision Service Plan, Inc., and dental coverage through Aultra Administrative Group.

C. Early Retirement Incentive

In previous years, the County has offered multiple one-time retirement incentives. The amount of the incentives is based upon the employees' salaries and years of credit needed to be purchased to take advantage of this option. The OPERS requirements vary in that the County can pay for this cost in one-lump sum or over a period of years. The option chosen by the County depends upon the fund balances at the time these payments are due.

NOTE 15 - CAPITAL LEASES-LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for copiers, postage machines, excavators and a trailer. During 2006, the County entered into a capitalized lease for a chipspreader for the engineer's office. Each lease meets the criteria of a capital lease set forth in the Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for the governmental funds.

Equipment acquired by lease has been capitalized in government-wide statements governmental activities in the amount of \$743,413, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide statements as part of governmental activities. Governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of \$668,198 at December 31, 2006. Principal payments towards capital leases during 2006 totaled \$145,317 for governmental activities.

Future minimum lease payments through 2010 for governmental activities are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2007	\$139,664	\$21,139
2008	139,855	14,927
2009	103,626	9,087
2010	108,075	4,639
Total	<u>\$491,220</u>	<u>\$49,792</u>

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2006

NOTE 16 - CONTRACTUAL COMMITMENTS

As of December 31, 2006, the County had contractual purchase commitments for the following projects:

<u>Project</u>	<u>Fund</u>	<u>Purchase Commitments</u>	<u>Amounts Paid as of 12/31/2006</u>	<u>Amounts Remaining on Contracts</u>
Manatron Revaluation	Real Estate Assessment	\$816,588	\$726,672	\$89,916
Manatron New Construction	Real Estate Assessment	90,000	81,000	9,000
Adamsville Village Extension	Water Enterprise	897,257	592,018	305,239
Adamsville Storage Tank	Water Enterprise	370,358	0	370,358
Bartlett Run Sewer	Sewer Enterprise	4,727,927	4,549,368	178,559
Brockway Lift Station	Sewer Enterprise	159,877	113,695	46,182
		<u>\$7,062,007</u>	<u>\$6,062,753</u>	<u>\$999,254</u>

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

NOTE 17 - LONG-TERM OBLIGATIONS

Changes in the County's long-term obligations during 2006 consist of the following:

	Outstanding 12/31/2005	Additions	Deletions	Outstanding 12/31/2006	Amounts Due Within One Year
<u>Governmental Activities</u>					
General Obligation Bonds:					
1999 Various Interest Rate Child Support Enforcement Building Bonds - \$4,000,000	\$3,150,000	\$0	\$160,000	\$2,990,000	\$170,000
1999 Various Interest Rate Juvenile Detention Facility Bonds - \$5,000,000	3,945,000	0	200,000	3,745,000	210,000
1998 Variable Interest Rate County Facilities Refunding Bonds - \$6,905,000	4,340,000	0	390,000	3,950,000	405,000
2002 Various Interest Rate Various Purpose Serial Bonds - \$1,670,000	1,380,000	0	110,000	1,270,000	110,000
2002 Various Interest Rate Various Purpose Term Bonds - \$1,085,000	1,085,000	0	0	1,085,000	0
2006 Various Interest Rate Various Purpose Serial Bonds - \$600,000	0	600,000	0	600,000	5,000
2006 Various Interest Rate Various Purpose Term Bonds - \$600,000	0	260,000	0	260,000	0
Bond Premium	0	903	0	903	0
Total General Obligation Bonds	13,900,000	860,903	860,000	13,900,903	900,000
Special Assessment Debt with Governmental Commitment:					
1989 7.89% Falls Special Assessment OWDA - \$957,246	167,521	0	47,862	119,659	47,862
1989 7.89% Maysville Special Assessment OWDA - \$445,478	151,464	0	17,819	133,645	17,819
1996 Variable Interest Nob Hill Special Assessment Bonds - \$610,000	420,000	0	25,000	395,000	30,000
2002 Various Interest Rate Ash Meadows Special Assessment Serial Bonds - \$130,000	110,000	0	10,000	100,000	10,000
2002 Various Interest Rate Ash Meadows Special Assessment Term Bonds - \$85,000	85,000	0	0	85,000	0
2003 Various Interest Rate Capital Facilities Refunding Serial Bonds - \$64,000	57,000	0	3,500	53,500	3,500
2003 Various Interest Rate Capital Facilities Refunding Term Bonds - \$17,000	17,000	0	0	17,000	0
Deferred Amount on Refunding	(9,522)	0	(414)	(9,108)	0
Total Special Assessment Debt	998,463	0	103,767	894,696	109,181
Compensated Absences	2,850,516	1,258,809	1,149,634	2,959,691	1,192,273
Long-Term Contracts Payable - TID	13,801,373	0	974,449	12,826,924	1,013,533
Capital Lease	201,514	435,023	145,317	491,220	139,664
Early Retirement Incentive Payable	505,965	303,155	182,588	626,532	195,254
Total Governmental Activities	\$32,257,831	\$2,857,890	\$3,415,755	\$31,699,966	\$3,549,905

(continued)

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2006

(continued)

	Outstanding 12/31/2005	Additions	Deletions	Outstanding 12/31/2006	Amounts Due Within One Year
Business - Type Activities					
General Obligation Bonds:					
1999 Various Interest Rate East Muskingum General Obligation					
Refunding Bonds - \$1,365,000	\$1,145,000	\$0	\$30,000	\$1,115,000	\$35,000
Unamortized Accounting Loss	(25,490)	0	(1,137)	(24,353)	0
2002 Various Interest Rate Sewer Improvement Serial Bonds - \$940,000					
	775,000	0	60,000	715,000	60,000
2002 Various Interest Rate Sewer Improvement Term Bonds - \$605,000					
	605,000	0	0	605,000	0
2003 Various Interest Rate Capital Facilities Refunding Serial Bonds - \$7,641,000					
	7,058,000	0	301,500	6,756,500	306,500
2003 Various Interest Rate Capital Facilities Refunding Term Bonds - \$2,078,000					
	2,078,000	0	0	2,078,000	0
Bond Discount	(14,076)	0	(612)	(13,464)	0
Deferred Amount on Refunding	(689,809)	0	(34,442)	(655,367)	0
2006 Various Interest Rate Sewer Improvement Serial Bonds - \$5,995,000					
	0	5,995,000	0	5,995,000	270,000
2006 Various Interest Rate Sewer Improvement Term Bonds - \$2,125,000					
	0	2,125,000	0	2,125,000	0
Bond Premium	0	8,132	0	8,132	0
Total General Obligation Bonds	10,931,625	8,128,132	355,309	18,704,448	671,500
Revenue Bonds:					
1990 5.00% Avondale Sewer Revenue Bonds - \$179,000					
	146,800	0	3,100	143,700	3,200
2002 4.5% Adamsville Sewer Revenue Bonds - \$387,000					
	369,000	0	6,000	363,000	7,000
2002 4.5% Adamsville Sewer Revenue Bonds - \$46,000					
	40,000	0	3,000	37,000	3,000
Total Revenue Bonds	555,800	0	12,100	543,700	13,200
OWDA Loans:					
1989 7.89% Maysville Mortgage Revenue OWDA - \$474,813					
	265,400	0	23,123	242,277	24,946
2002 1.5% Gaysport Waterline Extension OWDA - \$1,231,757					
	1,114,834	0	34,545	1,080,289	35,066
2002 1.5% Adamsville Water Project OWDA - \$749,580					
	678,427	0	21,022	657,405	21,339
2003 1.5% Coal Run Water Extension OWDA - \$20,474					
	250,031	0	7,245	242,786	7,354
2003 1.5% Chandlersville Waterlines OWDA - \$444,572					
	957,524	0	28,365	929,159	28,792
2004 1.5% Chandlersville Waterlines OWDA - \$21,844					
	20,968	0	595	20,373	604
2006 Nashport Waterline OWDA - \$232,289					
	0	232,289	0	232,289	0
Total OWDA Loans	3,287,184	232,289	114,895	3,404,578	118,101
Compensated Absences	62,142	48,145	30,740	79,547	36,729
Total Business - Type Activities	\$14,836,751	\$8,408,566	\$513,044	\$22,732,273	\$839,530

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Governmental Activities

General Obligation Bonds

During 1999, the County issued \$9,000,000 in various interest rate general obligation bonds used in the construction of a child support enforcement agency building and a juvenile detention facility. The bonds are backed by the full faith and credit of the County and are going to be repaid from property taxes.

The 1998 County Facilities Refunding Bonds were used to refund \$1,745,000 of the outstanding 1990 County Office Building Improvement Bonds, and \$4,545,000 of outstanding 1992 County Jail Facilities Bonds. \$6,760,654 (after discount, underwriting fees, and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 1990 County Office Building Bonds and the 1992 County Jail Facilities Bonds. These refunded bonds were fully called during 2002. The refunding bonds will be repaid from building rent and property taxes.

During 2002, the County issued \$1,670,000 in various interest rate Various Purpose Serial Bonds and \$1,085,000 in various interest rate Various Purpose Term Bonds. The proceeds of these bonds were used to purchase a County facility, construct and make improvements to the County Records building, and make a loan to the County Fairboard. These bonds are backed by the full faith and credit of the County and are paid from property taxes. Additionally, the County has entered into an agreement with the County Fairboard whereby the County Fairboard will make yearly payments to the County in amounts equal to the yearly debt service requirements as a source of repayment. This amount is presented as a Loan Receivable on the County's financial statements.

On July 18, 2006, the County issued \$600,000 in various interest rate Various Purpose Serial Bonds and \$260,000 in various interest rate Various Purpose Term Bonds. The proceeds of these bonds retired bond anticipation notes that were used make improvements to the Job and Family Services building. The bonds were sold at a premium of \$903 that will be amortized over the life of the bonds using the straight-line method. Issuance costs associated with the bond issue in the amount of \$9,731 are deferred and will be amortized over the life of the bonds using the straight-line method. These bonds are backed by the full faith and credit of the County and are paid from property taxes.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2007	\$900,000	\$668,832	\$1,568,832
2008	950,000	630,885	1,580,885
2009	975,000	589,810	1,564,810
2010	1,050,000	539,952	1,589,952
2011	885,000	492,362	1,377,362
2012-2016	5,155,000	1,774,958	6,929,958
2017-2021	3,445,000	513,273	3,958,273
2022-2026	540,000	56,368	596,368
Total	<u>\$13,900,000</u>	<u>\$5,266,440</u>	<u>\$19,166,440</u>

Special Assessment Bonds

During 1989, the County issued \$957,246 in Falls Special Assessment OWDA and \$445,478 in Maysville Special Assessment OWDA bonds. These bonds were issued to pay the costs of planning and constructing sewer lines.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

During 1996, the County issued \$610,000 in variable interest rate Nob Hill Special Assessment Bonds. The proceeds of these bonds were used to pay the costs of planning and constructing sewer lines.

During 2002, the County issued \$130,000 in various interest rate Ash Meadows Special Assessment Serial Bonds and \$85,000 in various interest rate Ash Meadows Special Assessment Term Bonds. The proceeds of these bonds were used to retire that portion of the County's outstanding Various Purpose Notes that were used to pay the costs of planning and constructing sewer lines.

On December 1, 2003, the County issued \$10,000,000 of Various Purpose General Obligation Capital Facilities refunding bonds that consisted of \$7,905,000 in serial bonds and \$2,095,000 in term bonds with varying interest rates from 1.15% to 4.625%. \$64,000 in serial bonds and \$17,000 in term bonds of the proceeds was used to refund the outstanding 1990 Avondale Special Assessment Bonds.

All special assessment bonded debt will be repaid from the proceeds of special assessments levied against benefited property owners. In the event the property owners do not pay their assessments, the County would be responsible for the debt service payment. Special assessment bond debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2007	\$43,500	\$35,872	\$79,372
2008	43,500	33,594	77,094
2009	48,500	31,276	79,776
2010	48,500	28,606	77,106
2011	48,500	25,907	74,407
2012-2016	295,000	83,041	378,041
2017-2021	85,000	21,647	106,647
2022-2025	30,000	4,623	34,623
2026-2029	8,000	717	8,717
Total	<u>\$650,500</u>	<u>\$265,283</u>	<u>\$915,783</u>

Special assessment OWDA debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2007	\$65,681	\$19,985	\$85,666
2008	65,681	14,803	80,484
2009	41,751	9,621	51,372
2010	17,819	6,327	24,146
2011	17,819	4,921	22,740
2012-2014	44,553	6,327	50,880
Total	<u>\$253,304</u>	<u>\$61,984</u>	<u>\$315,288</u>

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2006

Mandatory Redemptions

The various purpose series 2002 bond issue consisted of serial and term bonds. The term bonds that were issued during 2002 are subject to mandatory sinking fund redemption. Governmental activities general obligation and special assessment bonds, in the amounts of \$540,000, mature in the year 2019 and \$630,000 mature in the year 2022. The 2019 mandatory redemption is to occur on December 1, in each of the years 2017 and 2018 (with the balance of \$190,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2017	\$170,000
2018	180,000
	<u>\$350,000</u>

The 2022 mandatory redemption is to occur on December 1, in each of the years 2020 and 2021 (with the balance of \$220,000 to be paid at stated maturity on December 1, 2022) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2020	\$200,000
2021	210,000
	<u>\$410,000</u>

The various purpose series 2003 bond issue consisted of serial and term bonds. The term bonds that were issued during 2003 are subject to mandatory sinking fund redemption. Governmental activities special assessment bonds in the amount of \$6,000 mature in the year 2025 and \$11,000 mature in the year 2029. The bonds maturing on December 1, 2025 are subject to mandatory sinking fund redemption in part by lot on December 1, 2024 (with the balance of \$3,000 to be paid at stated maturity on December 1, 2025) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
2024	\$3,000

The 2029 mandatory redemption is to occur on December 1, in each of the years 2026 through 2028 (with the balance of \$2,500 to be paid at stated maturity on December 1, 2029) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2026	\$3,000
2027	3,000
2028	2,500
	<u>\$8,500</u>

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2006

The various purpose 2006 bond issue consisted of serial and term bonds. Governmental activities general obligation bonds in the amount of \$115,000 mature in the year 2022 and \$145,000 mature in the year 2026. The bonds maturing on December 1, 2022 are subject to mandatory sinking fund redemption in part by lot on December 1, 2021 (with the balance of \$60,000 to be paid at stated maturity on December 1, 2022) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
2021	\$55,000

The term bonds maturing on December 1, 2026 are subject to mandatory sinking fund redemption in part by lot on December 1, 2025 (with the balance of \$75,000 to be paid at stated maturity on December 1, 2026) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
2025	\$70,000

Optional Redemptions

The series 2002 bonds maturing on or after December 1, 2013 are subject to prior redemption on or after December 1, 2012 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at the following redemption prices, plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2012 through November 30, 2013	101.0%
December 1, 2013 and thereafter	100.0%

The series 2003 bonds maturing on or after December 1, 2014 are subject to prior redemption on or after December 1, 2013 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.

The series 2006 bonds maturing on or after December 1, 2017 are subject to prior redemption on or after December 1, 2016 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.

Compensated Absences

The County will pay compensated absences from the General Fund and the Public Assistance, Motor Vehicle and Gasoline Tax, County Home Levy, Starlight School Levy, Children Services Levy, Dog and Kennel, Child Support Enforcement Agency, Real Estate Assessment, Delinquent Real Estate Tax and Assessment Collection, Tuberculosis Clinic, Block Grants, Community Correction, Home Detention (Electronic Monitor), Senior Citizens Levy, Felony Delinquent Care and Custody, Court Computer, and Certificate of Title Administration Special Revenue Funds.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Long-Term Contracts Payable

An agreement between the State of Ohio, Department of Transportation (ODOT), and the Muskingum County Transportation Improvement District (District) was entered into on December 23, 1998. The agreement is for financing the construction of Northpointe Drive Extension located between the City of Zanesville and the Village of Dresden which is reported as part of the County's infrastructure.

The proposed terms call for a loan to be made from the State to the Transportation Improvement District in the amount of \$11,060,000, plus the refinancing of projected accumulated interest in the amount of \$404,129, to be repaid over 20 years, which coincide with the terms of a cooperative and guaranty agreements between Muskingum County, the District, and ODOT. The County, pursuant to the cooperative and guaranty agreements, will make use payments to the Transportation Improvement District in an amount equal to the debt requirements. The County has pledged non-tax revenues for the purpose of making the required use payments. The County is accumulating revenues from a tax increment financing agreement to meet a portion of the required use payments.

As collateral for the loan, the State Infrastructure Bank has received an assignment of all use payments from the County and an assignment of Tax Increment Financing from the Longaberger Company. As of December 31, 2006, the District had drawn down the total authorized amount of \$11,464,129 from the loan and Muskingum County has established a guaranty fund to collateralize the loan.

In March 2003, the District obtained approval for an additional State Infrastructure Loan to finance design/revisions and completion of the Northpointe Drive Project. The proposed terms call for a loan amount of \$4,010,000, plus the refinancing of projected accumulated interest in the amount of \$121,202 to be repaid over 10 years. As of December 31, 2006, the District had drawn down the total authorized amount of \$4,131,202.

Based upon the cooperative agreement, the County's financial statements reflect a long-term contract payable in the amount of \$12,826,924 at December 31, 2006. The long-term contracts payable amount reported in the County's financial statements is also reflected on the Transportation Improvement District's financial statements as a loan payable to the State Infrastructure Bank. The County has pledged non-tax revenues for the purpose of making the required use payments.

Capital Leases

The County has issued capital leases for copiers, postage machines, an excavator, a trailer, and a chipperspreader. These leases will be repaid through the General Fund and the Public Assistance, Child Support Enforcement Agency and Motor Vehicle and Gasoline Tax Special Revenue Funds.

Early Retirement Incentive Payable

In previous years, the County has offered multiple one-time retirement incentives. The amount of the incentives is based upon the employees' salaries and years of credit needed to be purchased to take advantage of this option. The County will pay the early retirement incentive payable from the Motor Vehicle and Gasoline Tax Special Revenue Fund.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Business-Type Activities

General Obligation Bonds

During 1999, the County issued \$1,365,000 in East Muskingum Sewer General Obligation Refunding Bonds. The proceeds were used to pay \$1,292,100 in outstanding 1990 East Muskingum Sewer Revenue bonds which resulted in a current refunding of the 1990 bonds outstanding. These refunding bonds will be repaid from Sewer Enterprise Fund revenues. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as an increase to bonds payable, is being amortized to interest expense through the year 2029 using the straight-line method. The amount amortized for 2006 is \$1,137. The County completed the current refunding to reduce its total debt service payments over the remaining 16 years of the refunded bonds. Issuance costs associated with the bond issue in the amount of \$26,053 are deferred and will be amortized over the life of the bonds using the straight-line method.

During 2002, the County issued \$940,000 in various interest rate Sewer Improvement Serial Bonds and \$605,000 in various interest rate Sewer Improvement Term Bonds. The proceeds of these bonds were used to retire outstanding bond obligation notes that were used in the planning and construction of sanitary sewer lines within the County and will also be used for additional planning and construction of sanitary sewer lines. These bonds will be repaid from fees paid for the services provided by these sanitary improvements.

On December 1, 2003, the County issued \$10,000,000 of Various Purpose General Obligation Capital Facilities Refunding Bonds that consisted of \$7,905,000 in serial bonds and \$2,095,000 in term bonds with varying interest rates from 1.15% to 4.625%. \$930 of the proceeds was used to refund outstanding Avondale general obligation bonds. \$9,718,070 of the proceeds were used to refund outstanding East Muskingum Sewer Revenue Bonds, East Muskingum Series F Improvement Bonds, and Water Resource Revenue Bonds.

The capital facilities refunding bonds were sold at a discount of \$15,906 that will be amortized over the life of the bonds using the straight-line method. Issuance costs associated with the bond issue in the amount of \$196,611 are deferred and will be amortized over the life of the bonds using the straight-line method.

During 2006, the County issued \$5,995,000 in various interest rate Various Purpose Serial Bonds and \$2,125,000 in various interest rate Various Purpose Term Bonds. The proceeds of these bonds were used to purchase increased sewer capacity from the City of Zanesville. The bonds were sold at a premium of \$8,132 that will be amortized over the life of the bonds using the straight-line method. Issuance costs associated with the bond issue in the amount of \$129,304 are deferred and will be amortized over the life of the bonds using the straight-line method. These bonds are backed by the full faith and credit of the County and will be repaid from Sewer Enterprise Fund revenues.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2007	\$671,500	\$812,794	\$1,484,294
2008	691,500	791,698	1,483,198
2009	706,500	768,925	1,475,425
2010	731,500	743,303	1,474,803
2011	756,500	716,321	1,472,821
2012-2016	4,270,000	3,104,372	7,374,372
2017-2021	5,220,000	2,136,688	7,356,688
2022-2026	5,970,000	912,707	6,882,707
2027-2030	372,000	42,883	414,883
Total	\$19,389,500	\$10,029,691	\$29,419,191

Mandatory Redemptions

The various purpose series 2003 bond issue consisted of serial and term bonds. The term bonds that were issued during 2003 are subject to mandatory sinking fund redemption. Business-type general obligation bonds in the amount of \$1,129,000 mature in the year 2025 and \$949,000 mature in the year 2030. The bonds maturing on December 1, 2025 are subject to mandatory sinking fund redemption in part by lot on December 1, 2024 (with the balance of \$577,000 to be paid at stated maturity on December 1, 2025) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

Year	Amount
2024	\$552,000

The 2030 mandatory redemption is to occur on December 1, in each of the years 2026 through 2029 (with the balance of \$92,500 to be paid at stated maturity on December 1, 2030) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2026	\$597,000
2027	82,000
2028	82,500
2029	95,000
	\$856,500

The various purpose 2006 bond issue consisted of serial and term bonds. Business-type general obligation bonds in the amount of \$970,000 mature in the year 2022 and \$1,155,000 mature in the year 2026. The bonds maturing on December 1, 2022 are subject to mandatory sinking fund redemption in part by lot on December 1, 2021 (with the balance of \$495,000 to be paid at stated maturity on December 1, 2022) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

Year	Amount
2021	\$475,000

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2006

The term bonds maturing on December 1, 2026 are subject to mandatory sinking fund redemption in part by lot on December 1, 2025 (with the balance of \$590,000 to be paid at stated maturity on December 1, 2026) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
2025	\$565,000

Optional Redemptions

The various purpose series 2002 bonds maturing on or after December 1, 2013 are subject to prior redemption on or after December 1, 2012 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at the following redemption prices, plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2012 through November 30, 2013	101.0%
December 1, 2013 and thereafter	100.0%

The series 2003 bonds maturing on or after December 1, 2014 are subject to prior redemption on or after December 1, 2013 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.

The series 2006 bonds maturing on or after December 1, 2017 are subject to prior redemption on or after December 1, 2016 by and at the sole option of the County, either in whole or in part on any date in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.

Revenue Bonds

Revenue bonds will be paid from revenues derived by the County from the operation of the sewer system.

During 1990, the County issued \$179,000 in Avondale Sewer Revenue bonds. The proceeds were used to pay the costs of installing and constructing sewer lines.

During 2002, the County issued \$433,000 in Adamsville Sewer Revenue bonds. The proceeds were used to retire outstanding sewer improvement notes which were originally issued to pay costs of constructing, installing, and equipping a wastewater collection system and treatment facility.

Revenue bond debt service requirements to maturity are as follows:

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

Year Ending December 31,	Principal	Interest	Total
2007	\$13,200	\$25,185	\$38,385
2008	13,400	24,575	37,975
2009	13,600	23,955	37,555
2010	13,700	23,325	37,025
2011	13,900	22,690	36,590
2012-2016	79,700	103,165	182,865
2017-2021	76,100	84,500	160,600
2022-2026	85,100	66,170	151,270
2027-2031	91,000	44,515	135,515
2032-2036	61,000	27,000	88,000
2037-2041	68,000	12,690	80,690
2042	15,000	675	15,675
Total	\$543,700	\$458,445	\$1,002,145

Mandatory Redemptions

The various purpose series 2002 bond issue consisted of serial and term bonds. The term bonds that were issued during 2002 are subject to mandatory sinking fund redemption. Bonds for business-type activities in the amount of \$275,000 mature in the year 2019 and \$330,000 mature in the year 2022. The 2019 mandatory redemption is to occur on December 1, in each of the years 2017 and 2018 (with the balance of \$100,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2017	\$85,000
2018	90,000
	\$175,000

The 2022 mandatory redemption is to occur on December 1, in each of the years 2020 and 2021 (with the balance of \$115,000 to be paid at stated maturity on December 1, 2022) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2020	\$105,000
2021	110,000
	\$215,000

Ohio Water Development Authority (OWDA) Loans

During 2006, the County received additional OWDA loan proceeds associated with the Nashport Waterline project in the amounts of \$232,289. This loan will be repaid from the revenues derived from the operation of the water systems. Amortization schedules for the Nashport Waterline loan will not be available until the entire amount of the loans have been drawn down or the project is complete.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

Annual debt service requirements to maturity for the remaining OWDA loans are as follows:

Year Ending December 31,	Principal	Interest	Total
2007	\$118,101	\$62,717	\$180,818
2008	121,471	59,347	180,818
2009	125,019	55,800	180,819
2010	128,755	52,063	180,818
2011	132,694	48,124	180,818
2012-2016	613,490	180,449	793,939
2017-2021	557,374	126,403	683,777
2022-2026	600,617	83,161	683,778
2027-2031	647,214	36,582	683,796
2032-2034	127,554	1,753	129,307
Total	<u>\$3,172,289</u>	<u>\$706,399</u>	<u>\$3,878,688</u>

Compensated Absences

The County will pay compensated absences from the Water and Sewer Enterprise Funds.

Conduit Debt

Pursuant to State Statute, various industrial revenue bonds have been issued for private industry within the County. The proceeds of the industrial revenue bonds are used by the various private industries for new construction or improvements. The bonds are to be repaid by the recipients of the proceeds and do not represent an obligation of the County. As of December 31, 2006, \$99,840,000 of industrial revenue bonds have been issued, and \$49,985,000 remained outstanding.

The County's overall legal debt margin at December 31, 2006 was \$24,304,506.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

NOTE 18 - NOTES PAYABLE

The following summarizes the note transactions for the year ended December 31, 2006:

	Interest Rate	Outstanding 12/31/2005	Issued	Retired	Outstanding 12/31/2006
Capital Projects Funds:					
Energy Conservation Loan	5.60%	\$243,561	\$0	\$243,561	\$0
Brandywine Loop Improvement	4.20%	0	1,000,000	0	1,000,000
Job and Family Services Renovation	4.00%	850,000	0	850,000	0
Issue 2	2.00%	8,543	0	8,543	0
Issue 2	2.00%	208,713	0	58,157	150,556
Issue 2	2.00%	111,946	0	44,111	67,835
Total Capital Projects Funds		1,422,763	1,000,000	1,204,372	1,218,391
Sewer Enterprise Fund	4.50%	0	5,380,000	0	5,380,000
Sewer Enterprise Fund	4.27%	0	4,000,000	4,000,000	0
Sewer Enterprise Fund	4.00%	2,080,000	0	2,080,000	0
Sewer Enterprise Fund	4.00%	3,300,000	0	3,300,000	0
Total Proprietary Funds		5,380,000	9,380,000	9,380,000	5,380,000
Total All Funds		\$6,802,763	\$10,380,000	\$10,584,372	\$6,598,391

All notes are bond anticipation or revenue anticipation notes and are backed by the full faith and credit of the County. The Energy Conservation Loan was paid off during 2006 and was originally issued for energy saving improvements. The County issued \$1,000,000 in Brandywine Loop Extension bond anticipation notes during 2006. The proceeds of this note were granted to the City of Zanesville in order to be used for and extension to a road within the city limits and has a maturity of one year, and no long-term financing arrangements have been made as of the date of this report. The Job and Family Services Renovation bond anticipation note was paid off during 2006 from the proceeds of bonds and was originally issued for renovations made to the Department of Job and Family Services office building. The Issue 2 revenue anticipation notes have a remaining maturity of three years and will be retired from the Motor Vehicle and Gasoline Tax Major Special Revenue Fund. The Sewer Enterprise Fund bond anticipation note has a maturity of one year and will be reissued until paid or bonds are issued. The original note was issued for the purpose of paying initial costs of sewer line construction. \$100,631 of this note remains unspent at December 31, 2006.

Annual debt service requirements to maturity for the Issue 2 revenue anticipation notes are as follows:

Year Ending December 31,	Principal	Interest	Total
2007	\$104,323	\$3,849	\$108,172
2008	83,355	1,752	85,107
2009	30,713	307	31,020
Total	\$218,391	\$5,908	\$224,299

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

NOTE 19 - OPERATING LEASES-LESSEE DISCLOSURE

The County has entered into a lease for land and a building in conjunction with the City of Zanesville. The County and City lease the Anchor Glass Facilities from the Zanesville-Muskingum County Port Authority and in turn rent the facilities month to month to the Anchor Glass Corporation. During 2006 the County incurred expenditures of \$61,944 for the operating lease. The rental payments for the land and building through 2008 are as follows:

Year Ending December 31,	Amount
2007	\$133,000
2008	121,469
Total	<u>\$254,469</u>

NOTE 20 - INTERNAL BALANCES

Interfund balances at December 31, 2006 consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable				Total
	Major Funds				
	General	Children Services	Sewer	Other Nonmajor Governmental	
Major Funds:					
General	\$0	\$2,389	\$537	\$287,968	\$290,894
Public Assistance	47,355	218,235	0	0	265,590
Motor Vehicle and Gasoline Tax	8,235	0	0	0	8,235
County Home Levy	10,567	0	0	0	10,567
Starlight School Levy	19,566	0	0	0	19,566
Children Services Levy	12,997	0	0	0	12,997
Sewer	1,524	0	0	0	1,524
Water	2,248	0	0	0	2,248
Other Nonmajor Governmental	158,157	0	6,266	3,186	167,609
Health Self-Insurance Fund	50,000	0	0	0	50,000
Total All Funds	<u>\$310,649</u>	<u>\$220,624</u>	<u>\$6,803</u>	<u>\$291,154</u>	<u>\$829,230</u>

The above interfund receivables/payables are due to time lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made. Also, short-term interfund loans were advanced from the General Fund to various funds of the County for the payment of the workers' compensation premium. All amounts are expected to be repaid within one year.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

Interfund transfers during 2006 consisted of the following:

<u>Transfer from</u>	Transfer to						Totals
	Major Funds						
	General	Public Assistance	Motor Vehicle and Gasoline Tax	Starlight School Levy	Water	Other Nonmajor Governmental	
Major Funds:							
General Fund	\$0	\$533,232	\$723	\$0	\$1,000	\$3,633,944	\$4,168,899
Public Assistance	0	0	0	0	0	22,255	22,255
Motor Vehicle and Gasoline Tax	0	0	0	0	0	311,811	311,811
Starlight School Levy	0	0	0	0	0	500,000	500,000
Sewer	0	0	0	0	0	44,824	44,824
Other Nonmajor Governmental	206,592	0	0	17,841	0	403,839	628,272
Total All Funds	\$206,592	\$533,232	\$723	\$17,841	\$1,000	\$4,916,673	\$5,676,061

Transfers were used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, to move monies back to the General Fund pursuant to court orders, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 21 - JOINTLY GOVERNED ORGANIZATIONS

A. South East Ohio Joint Solid Waste Management District

The County is a member of the South East Ohio Joint Solid Waste Management District (District), which is a jointly governed organization. The purpose of the District is to make disposal of waste in the six-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code.

The District is governed and operated through three groups. An eighteen member board of directors, comprised of three commissioners from each county, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no contributions were received from the County in 2006. No future contributions by the County are anticipated.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

A forty-three member policy committee, comprised of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Continued existence of the District is not dependent on the County's continued participation. The County does not have an equity interest in or a financial responsibility for the District. The District has no outstanding debt.

B. Mental Health and Recovery Services Board

The Mental Health and Recovery Services Board is a jointly governed organization whose participants are Muskingum, Coshocton, Guernsey, Perry, Morgan, and Noble Counties. The Board has the responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The Board is managed by a eighteen member board of trustees; three appointed by the Muskingum County Commissioners, seven appointed by the commissioners of the other participating counties, four by the director of the State Department of Alcohol and Drug Addiction, and four appointed by the Director of the State Department of Mental Health. The Board exercises total control, including budgeting, appropriating, contracting, and designating management.

During 2006, Muskingum County contributed \$986,939 in tax levy revenue money through a 1.0 mill levy. The remaining revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Since Muskingum County serves as the fiscal agent for the Board, the financial activity, other than the property tax levy revenue, is presented in an agency fund. Continued existence of the Board is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the Board. The Board has no outstanding debt.

C. Mid East Ohio Regional Council of Governments (MEORC)

The Mid East Ohio Regional Council of Governments (MEORC) is a jointly governed organization which serves seventeen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. MEORC is made up of the superintendents of each county's Board of Mental Retardation and Developmental Disabilities. Revenues are generated by fees and state grants. During 2006, the County contributed \$33,845 to MEORC. Continued existence of MEORC is not dependent on the County's continued participation, and the County has no equity interest in or financial responsibility for MEORC. MEORC has no outstanding debt.

D. Southeast Area Transit Authority (SEAT)

The Southeast Area Transit Authority (SEAT) was created pursuant to State statutes in 1979. The County, the City of Zanesville, and the Village of South Zanesville appoint members to the SEAT's Board of Directors. The County appoints two members, the City of Zanesville appoints six members and the Village of South Zanesville appoints one member. During 2006, the County contributed \$40,000 to SEAT. The continued existence of the SEAT is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the SEAT. The SEAT has no outstanding debt. The SEAT is a component unit of the City of Zanesville.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

E. Zanesville-Muskingum Family and Children First Council

The Zanesville-Muskingum Family and Children First Council is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is comprised of the following members: Director of the Zanesville-Muskingum County Health Department, Superintendent of the Zanesville City School District, Superintendent of the Muskingum County Educational Service Center, Superintendent of the Muskingum County Board of Mental Retardation and Developmental Disabilities, Director of the ADAMH Board, Director of the Muskingum County Department of Job and Family Services, Director of the Muskingum County Children Services Board, Superintendent of Muskingum Starlight Industries, Inc., a United Way representative, an Eastside Community Services representative, a Zanesville Civic League representative, a Behavioral Health representative, a county commissioner, representatives from the public sector, and a representative from a local hospital. During 2006, the County contributed \$27,665 to the Council. Continued existence of the Council is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

F. Area Agency on Aging

The Area Agency on Aging is a regional council of governments that assists nine counties including Muskingum County in providing services to senior citizens in the Council's service area. The Area Agency on Aging is governed by a board of directors comprised of one representative appointed by each participating county. The board has total control over budgeting, personnel, and all other financial matters. The Area Agency on Aging receives Title III monies to be used for programs within the member counties. During 2006, the County contracted with the Area Agency on Aging to provide senior citizens services. A local not-for-profit corporation (The Muskingum County Senior Citizens Center) provided the senior citizens services pursuant to the County's contract. The continued existence of the Council is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the Council. The Area Agency on Aging has no outstanding debt.

G. Ohio Mid-Eastern Governments Association (OMEGA)

The Ohio Mid-Eastern Governments Association (OMEGA) is a ten-county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbia, Guernsey, Harrison, Holmes, Jefferson, Muskingum, and Tuscarawas Counties. OMEGA was formed to assist the participating counties in the application for Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a sixteen member executive board comprised of members appointed from each participating county and cities within each county. City membership is voluntary. The county commissioners from each county currently appoint one member to the board of directors. The board has total control over budgeting, personnel, and financial matters. Each member currently pays a nine cent per capita membership fee based upon the most recent U.S. census. During 2006, OMEGA received \$8,850 from Muskingum County. The continued existence of OMEGA is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for OMEGA. OMEGA has no outstanding debt.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

H. Licking-Muskingum Community Based Correctional Facility (CBCF)

The Licking-Muskingum Community Based Correctional Facility (CBCF) is a four-county facility created pursuant to Ohio Revised Code Section 2301.51. The CBCF serves Licking, Muskingum, Coshocton, and Knox Counties. The CBCF was formed in 1994 to offer treatment, education, work, and other rehabilitation services to convicted felons within the four counties. The CBCF is governed by a seven member board comprised of two common pleas court judges from Licking, Muskingum, and Coshocton Counties and one common pleas court judge from Knox County. The common pleas judges and the respective county commissioners appoint a thirteen member citizens advisory board to assist in the operation of the CBCF. The board has total control over budgeting, personnel, and financial matters. The CBCF receives funding in the form of state grant monies which are used to provide the various services of the CBCF. Licking County serves as fiscal agent for the CBCF. During 2006, the CBCF received no monies from Muskingum County. The continued existence of the CBCF is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the CBCF. The CBCF has no outstanding debt.

I. Zanesville-Muskingum County Port Authority

The Zanesville-Muskingum County Port Authority (Authority) is a jointly governed organization under the laws of the State of Ohio. The Authority is governed by a four member board of directors. The board is comprised of two members appointed by Muskingum County and two members appointed by the City of Zanesville. The Authority's primary function is to promote economic growth and development in the County. The Authority derives its revenues from rental income, interest income, and annual contributions from the County and the City. The County and the City currently lease the Anchor Glass Facilities from the Authority pursuant to a 1988 operating lease agreement. The County and the City sublease the facilities to the Anchor Glass Corporation. The payments are used for the payment of the Authority's outstanding bonds. The County's share of the Anchor Glass Corporation's rent income and the related operating lease payments are reflected in the General Fund. In addition to the required operating lease and long-term contract payable payments, the County contributed \$489,669 for loans, grants, and administrative fees to the Authority during 2006. Separately issued financial statements can be obtained from the Zanesville-Muskingum County Port Authority, Zanesville, Ohio.

J. Perry Multi-County Juvenile Facility

The Perry Multi-County Juvenile Facility (Facility) is a jointly governed organization created to rehabilitate juvenile offenders in lieu of commitment to the Ohio Department of Youth Services. The Facility has an eight member governing board that consists of one juvenile court judge, or designee, from the counties of Coshocton, Delaware, Fairfield, Knox, Licking, Morgan, Muskingum, and Perry. The Facility also has an executive committee that handles the daily operations of the Facility and reports to the governing board. The executive committee is composed of the officers of the governing board. The Facility's revenues will consist of an annual grant applied for by the Director of the Facility and charges for services from the participating counties. During 2006, the County made no contributions to the Facility for the housing of juvenile offenders. Continued existence of the Facility is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

K. Muskingum County Center for Seniors

The Muskingum County Center for Seniors (Center) is a jointly governed organization which operates as a not-for-profit organization created under 501(c)(3) of the Internal Revenue Code. The Center provides various services to seniors, including transportation services, nutritional and physical fitness information and instruction, meals, and legal counseling. The Center is governed by a seven member board consisting of three members appointed by the Muskingum County Board of County Commissioners, three members appointed by the Mayor of the City of Zanesville, and one member appointed by the above appointed six members. The Center was the recipient of support from the Muskingum County Senior Services Levy. Additional revenue is provided through contracts with the Area Agency on Aging. Continued existence of the Center is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding.

NOTE 22 - RELATED ORGANIZATIONS

A. Muskingum County Convention Facilities Authority

The Muskingum County Convention Facilities Authority (Authority) was created pursuant to State statutes for the purpose of acquiring, constructing, equipping, and operating a convention facility in Muskingum County. The Authority operates under the direction of an eleven member appointed board of directors. The board consists of six members appointed by Muskingum County, three members appointed by the Mayor of the City of Zanesville and two members appointed by the remaining municipal corporations located within the County. The board exercises total control over the operation of the district including budgeting, appropriating, contracting, and designating management. The authority receives funding in the form of excise tax on hotels and motels in the amount of three percent of each transaction occurring within the boundaries of Muskingum County. The County is prohibited from contributing to the operations of the Convention Authority by State Law. During 2006, the Authority received \$378,309 from excise taxes and rental income. The Authority has no outstanding debt. Complete financial information can be obtained from the Muskingum County Conventions Facilities Authority, Zanesville, Ohio.

B. Zanesville Metropolitan Housing Authority

The Zanesville Metropolitan Housing Authority (Authority) was created in 1938, and currently operates pursuant to Ohio Revised Code Section 3735.27. The Authority is governed by a five member board. Muskingum County appoints three members and the City of Zanesville appoints two members. The board adopts their own appropriations, is their own contracting authority, hires and fires their own staff, authorizes all expenditures, and does not rely on the County or the City to finance deficits. The Authority receives funding from the federal government in the form of grants. All monies are received directly by the Authority in the Authority's name. The County is not financially accountable for the Authority and the Authority is not fiscally dependent on the County. The Authority has no outstanding debt. The Authority is a stand-alone government, and complete financial information can be obtained from the Zanesville Metropolitan Housing Authority, Zanesville, Ohio.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

C. Muskingum County Park District

The Muskingum County Park District was created pursuant to the laws of the State of Ohio. The Park District is a legally separate entity which is governed by a three member board appointed by the probate court judge. The Park District Board may adopt budgets, hire and fire employees, and issue revenue debt without the approval of the County. The Park District received local government and local government revenue assistance monies during 2006. The County serves as fiscal agent for the Park District and the activity is reflected in the Park District Agency Fund.

NOTE 23 - PUBLIC ENTITY POOLS

A. County Risk Sharing Authority, Inc. (CORSA)

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2006 was \$306,446.

B. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association of Ohio Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool. A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant, and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at the meeting held in the month of December each year. No participant can have more than member of the group executive committee in any year, and each elected members shall be a county commissioner.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

NOTE 24 - RELATED PARTY TRANSACTIONS

Muskingum Starlight Industries, Inc., a discretely presented component unit of Muskingum County, received contributions from the County for facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of its programs. These contributions are reflected as in-kind contributions and expenses at cost or fair market value as applicable, in the basic financial statements. In 2006, these contributions were \$227,863.

The Transportation Improvement District (District) currently shares office space of Zanesville-Muskingum County Port Authority in the Welcome Center, located at 205 N. Fifth Street, Zanesville. As disclosed in Note 28, various loan activity occurred between the County and the District.

NOTE 25 - FUND EQUITY RESERVES

The following reservations of fund balances existed as of December 31, 2006:

<u>Fund Type/Reserve Type</u>	<u>Amount</u>
<u>Major Funds:</u>	
General Fund	
Reserved for Encumbrances	\$275,585
Reserved for Claimants	107,967
Total General Fund	<u>383,552</u>
Public Assistance	
Reserved for Encumbrances	1,502,367
Motor Vehicle and Gasoline Tax	
Reserved for Encumbrances	137,316
County Home	
Reserved for Encumbrances	5,841
Starlight School Levy	
Reserved for Encumbrances	57,148
Children Services Levy	
Reserved for Encumbrances	58,604
Total Major Funds	<u>2,144,828</u>
<u>Nonmajor Funds:</u>	
Reserved for Encumbrances	308,225
Reserved for Loans Receivable	363,229
Reserved for Loan Guarantee	925,000
Reserved for Long-Term Contracts Payable	93,436
Total Non-major Funds	<u>1,689,890</u>
Grand Total All Reserves	<u><u>\$3,834,718</u></u>

NOTE 26 - FOOD STAMPS

The County's Department of Job and Family Services (Welfare) distributes, through contracting issuance centers, federal food stamps to entitled recipients within Muskingum County. The receipt and issuance of the stamps have the characteristics of a federal grant. However, the Department of Job and Family Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements, as the only economic interest related to these stamps rests with the ultimate recipient.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

NOTE 27 - 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. 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 commissioners believe such disallowances, if any, will be immaterial.

Claims and lawsuits are pending against the County. Based upon information provided by the County's legal counsel, any potential liability and effect on the financial statements, if any, is not determinable at this time.

NOTE 28 - TRANSPORTATION IMPROVEMENT DISTRICT

A. Reporting Entity

The Transportation Improvement District, Muskingum County (the District), is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically formed under the auspices of House Bill 154, and Ohio Revised Code Chapter 5540, as amended, and created by action of the Board of County Commissioners of Muskingum County on November 20, 1995.

The District is governed by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members, with five members appointed by a majority vote of the Board of Commissioners of Muskingum County.

The Board of Directors appoints a Chairman, who presides at all meetings and is the chief officer of the District. He has the authority to sign all contracts, releases, notes, bonds and other instruments and documents to be executed on behalf of the District. He is the chief officer of the District for the purpose of civil process and is authorized to accept such services on behalf of the District. He performs such other duties and has such authority as may be provided from time to time by the Board.

The District is a discretely presented component unit in Muskingum County's December 31, 2006 Comprehensive Annual Financial Report, as defined by the provisions of GASB Statement Nos. 14 and 39. Also, the Zanesville-Muskingum County Port Authority serves as the Administrative Agent for the Muskingum County Transportation Improvement District. The District's management believes these financial statements represent all activities for which the District is financially accountable.

B. Summary of Significant Accounting Policies

The financial statements of the Transportation Improvement District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a Statement of Net Assets and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Assets and the Statement of Activities display information about the District as a whole. These statements include the financial activities of the primary government.

The Statement of Net Assets presents the financial condition of the governmental activities of the District at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limitations. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the District.

Fund Financial Statements During the year the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds would be aggregated and presented in a single column, however, the District did not have any nonmajor funds in 2006 since all funds were considered as major.

Fund Accounting

The District uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. There is one category of funds: Governmental.

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

General Fund The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

North Pointe Capital Projects Fund The North Pointe Capital Projects Fund is used to account for loan proceeds received from the State Infrastructure Bank and Muskingum County for the North Pointe Drive Project.

State Route 93/22 Capital Projects Fund The State Route 93/22 Fund is used to account for grant monies for the State Route 93/22 project.

Road Work Development Fund The Road Work Development Fund is used to account for grant monies for the design, upgrade, and/or construction of public roadways serving commercial or industrial economic development projects.

Measurement Focus

Governmental-wide Financial Statements The government-wide financial statements are prepared using a *flow of economic resources* measurement focus. All assets and all liabilities associated with the operation of the District are included on the Statement of Net Assets. The Statement of Activities presents increases (e.g. revenues) and decreases (e.g. expenses) in total net assets.

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

Basis of Accounting

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

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

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: grants and entitlements.

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

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

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

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable.

Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Each fund's interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the combined balance sheet and statement of net assets. Prior to July 1, 2004, the General Fund was the only fund allocated interest earnings.

Capital Assets

The District reports no capital assets. A road constructed by the District has been completed but through contractual agreements, Muskingum County uses and maintains the road. The County reports this road as a capital asset on its books. The asset will revert to the County upon full payment of the related debt.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, Governmental Fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. Long-term loans are recognized as a liability on the Government Fund financial statements when due.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provision, enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

C. Equity in Pooled Cash and Investments

The County Auditor serves as fiscal officer of the Board. The Ohio Revised Code prescribes allowable deposits and investments for both the District and the County. At December 31, 2006, the District had cash and investments with a carrying amount of \$41,147, which is included in and collateralized with Muskingum County's cash management pool.

D. Accountability

At December 31, 2006, the Road Work Development Fund had a deficit fund balance of \$252,232. This deficit resulted from the recognition of accrued liabilities in accordance with generally accepted accounting principles.

E. Receivables

Receivables at December 31, 2006 consisted of contracts and intergovernmental grants. All receivables are considered collectible in full due to the current fiscal year guarantee of federal funds and the executed contracts with the Muskingum County Commissioners.

A summary of the principal items of intergovernmental and contracts receivables follows:

Governmental Activities:	
Intergovernmental Receivable	\$673,087
Contract Receivable	<u>12,826,924</u>
Total	<u><u>\$13,500,011</u></u>

F. Long-Term Obligations

Changes in the long-term obligations of the District during 2006 were as follows:

	Outstanding 1/1/2006	(Reductions)	Outstanding 12/31/2006	Amounts Due In One Year
Governmental Activities:				
General long-term obligations:				
State Infrastructure Bank - 4%	\$ 9,900,548	\$ (503,277)	\$ 9,397,271	\$ 528,119
State Infrastructure Bank - 3% additional loan proceeds	<u>3,900,825</u>	<u>(471,172)</u>	<u>3,429,653</u>	<u>485,414</u>
Total general long-term obligations	<u><u>\$ 13,801,373</u></u>	<u><u>\$ (974,449)</u></u>	<u><u>\$ 12,826,924</u></u>	<u><u>\$ 1,013,533</u></u>

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

The annual requirements to retire governmental activities debt are as follows:

	Loans			
	State Infrastructure Bank - 4%		State Infrastructure Bank - 3%	
	Principal	Interest	Principal	Interest
2007	\$ 528,119	\$ 393,832	\$ 485,414	\$ 99,276
2008	550,803	371,148	500,085	84,604
2009	574,461	347,490	515,200	69,489
2010	599,135	322,816	530,772	53,917
2011	624,868	297,083	546,815	37,875
2012-2016	3,550,739	1,059,016	851,367	25,668
2017-2021	2,969,146	257,682	-	-
	\$ 9,397,271	\$ 3,049,067	\$ 3,429,653	\$ 370,829

The District entered into a loan agreement on June 15, 1999 with the Ohio Department of Transportation to finance the Northpointe Drive Project over a period of 20 years. As collateral for the loan, the State Infrastructure Bank received an assignment of all use payments from Muskingum County and an assignment of Tax Increment Financing from the Longaberger Company. The District received the total authorized amount of \$11,464,129, which included the refinancing of accumulated interest of \$404,129.

In March 2003, the District obtained approval for an additional State Infrastructure Loan to finance design revisions and completion of the Northpointe Drive Project. The loan included \$4,010,000, plus the refinancing of projected accumulated interest in the amount of \$121,202 to be repaid over 10 years. In 2004, \$60,150 of accrued interest was added to the loan balance, and the remaining balance of \$61,052 of accrued interest was added during 2005. As collateral for the loan, the State Infrastructure Bank received an assignment of all use payments from Muskingum County and an assignment of Tax Increment Financing from the Longaberger Company. The District received the total authorized amount of \$4,131,202.

G. Contractual Commitments

As of December 31, 2006 contracts payable include: \$412,082 for the 93/22 road project, \$15,713 for various projects in the road work development fund, and \$10,000 owed to the Zanesville Muskingum County Port Authority for administration.

H. Current Project

The 93/22 road project is in process at December 31, 2006, as well as various projects in the Road Work Development Fund.

I. Risk Management

The District has obtained commercial insurance for the following risks:

- General liability
- Vehicles

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

J. Intergovernmental Loan

In 1999, Muskingum County advanced the District \$1,620,000 in funding for the Northpointe Drive Extension Project. The District repaid \$750,000 of the loan on July 27, 2000 with proceeds from the State Infrastructure Bank loan. On March 31, 2005, the District repaid \$20,000 of the loan with loan proceeds. On December 21, 2006 the County Commissioners passed a resolution to forgive the remaining loan in the amount of \$870,000 and to treat it as a grant and County contribution to the project. On April 19, 2007 the County Commissioners passed a resolution to correct the amount forgiven. The resolution, retroactive to the original date of December 21, 2006, indicates that the amount to be forgiven is \$850,000, which was the actual balance remaining on the loan.

On May 15, 2006 the County Commissioners passed a resolution to advance the District \$20,000 in funding for the Road Work Development Fund, with monies to be repaid upon receipt of funding from the Ohio Department of Development. On December 21, 2006 the District repaid the loan to the County Commissioners.

During 2006, the Muskingum County Commissioners, Muskingum County Engineer's Office, and City of Zanesville advanced the District funding for road work development fund projects. Intergovernmental loan activity is as follows:

<u>Entity</u>	<u>Balance at January 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding at December 31, 2006</u>
Muskingum County:				
Commissioners	\$ 850,000	\$ 0	\$ 850,000	\$ 0
Commissioners	0	20,000	20,000	0
Commissioners	0	218,977	0	218,977
Engineer	0	33,987	0	33,987
City of Zanesville	0	8,163	0	8,163
Total Intergovernmental Loans Payable	<u>\$ 850,000</u>	<u>\$ 281,127</u>	<u>\$ 870,000</u>	<u>\$ 261,127</u>

K. Related Party Transaction

The Transportation Improvement District currently shares office space with Zanesville Muskingum County Port Authority in the Welcome Center, located at 205 North Fifth Street, Zanesville.

The District, a discretely presented component unit of Muskingum County, received loans from the Muskingum County Commissioners and Muskingum County Engineer's Office during 2006. The intergovernmental loan activity is disclosed in the section J of this note disclosure.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

NOTE 29 - MUSKINGUM STARLIGHT INDUSTRIES, INC.

A. Summary of Significant Accounting Policies

The summary of significant accounting policies of Muskingum Starlight Industries, Inc. is presented to assist in understanding the company's financial statements. The financial statements and notes are representations of the company's management who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Organization and Purpose

Muskingum Starlight Industries, Inc. is a not-for-profit organization located in Zanesville, Ohio. The Organization is a sheltered workshop for mentally and developmentally handicapped adults and provides job and learning skills to their clients. The Organization operates under the mandate of the Muskingum County Board of Mental Retardation and Development Disability which provides a facility for the workshop along with an administrative staff.

Basis of Accounting

The financial statements of Muskingum Starlight Industries, Inc. have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity date of six months or less to be cash equivalents.

Inventory

Inventory is valued at cost on the first-in, first-out basis.

Investments

Investments are stated in the financial statements at fair market value. Investment income or loss is included in the excess of revenue over expenses. Unrealized gains and losses on investments are calculated from the net change in market values during the year. Realized gains and losses result at the time in which the financial instrument is sold.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Property and Equipment

Property and equipment additions are recorded at cost. Depreciation is provided on assets purchased before 1987 on the straight-line method over the estimated useful lives of the respective assets. Assets purchased after 1986 are depreciated under the Modified Accelerated Cost Recovery system as prescribed by the Tax Reform Act of 1986.

Income Tax Status

No federal income taxes are applicable as the corporation has received tax-exempt status by the Internal Revenue Service under Code Section 501(c)(3) and has been recognized as non-profit by the State of Ohio. Therefore, no tax provisions have been made in the accompanying financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted principles requires management to make estimates and assumptions that reflect amounts and disclosures, accordingly, actual results could differ from those estimates.

B. Donated Services, Equipment and Facilities

The Muskingum County Board of MR/DD made in-kind contributions to the Muskingum Starlight Industries, Inc. Workshop. The in-kind contributions as of December 31, 2006 and 2005 were \$227,863 and \$175,475, respectively.

C. Deposits and Investments

Deposits

At December 31, 2006, the ledger amount of all deposits accounts was \$375,931, and the bank balance was \$376,793. As of December 31, 2006, of the bank balance of \$376,793, \$4,161 was exposed to custodial risk as discussed below, while \$372,632 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of a bank failure, the deposits of Muskingum Starlight Industries, Inc. may not be returned.

Investments

In 2005, the board of directors made the decision to open an investment account on behalf of Muskingum Starlight Industries, Inc. The investment portfolio consists of all Vanguard Group funds and include a money market fund, bond funds, and equity funds. GASB 40 was implemented in 2005. The composition of investments at December 31, 2006 is as follows:

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2006**

Money Market	Cost	Market
Vanguard Prime Money Market Fund 30	\$19,751	\$19,751
	Average	Average
Mutual Funds/Type	Quality Rating	Maturity
Vanguard/Bond	AAA	10 years
Vanguard/Bond	AA3	2.6 years
Vanguard/Bond	AAA	2.3 years
Vanguard/Bond	AA1/AA2	7.2 years
Vanguard/Stock	unrated	
Vanguard/Stock	unrated	
Vanguard/Stock	unrated	
Vanguard/Stock	unrated	
Total Mutual Funds	86,237	96,273
Total Investments	\$105,988	\$116,024

Investment Risk Factors

There are many factors that can affect the value of investments. Equity securities will respond to factors such as economic conditions, individual company earning performance and market liquidity, while bond funds are sensitive to credit risks and changes in interest rates.

Credit Risk

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to pay will cause prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality for the above bonds is evaluated by Moody's Investors Service and Standard & Poor's. The lower the rating, the greater the chance in the rating agency's opinion that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including U.S. government obligations are not considered to have credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned.

Some of the investments for Muskingum Starlight Industries, Inc. are exposed to custodial credit risk. These investments may be uninsured and are held by the custodian.

Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2006

Muskingum Starlight Industries, Inc. investments policy is diversified as follows:

Short term investments	18.64%
Bonds	40.82%
Stocks	<u>40.54%</u>
	100.00%

Interest Rate Risk

Interest Rate Risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The average maturities for Muskingum Starlight Industries, Inc. are included in the above table.

D. Deferred Income

The Muskingum Starlight Industries, Inc. workshop serves as an agent for funds received from the State of Ohio to serve the Family Resource Program. However, another party serves as the administrator of this program. All monies are received by the administrator of this program and released by request to the workshop for disbursement to qualified families. Any unexpended monies remaining at year-end are recorded as deferred income and are considered to be unrestricted net assets.

E. Financial Accounts with Off-Balance Sheet Risk

The company has maintained an account in excess of the federally insured maximum of \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

**Combining Statements
and
Individual Fund Schedules**

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$2,626,972	\$2,677,756	\$50,784
Permissive Sales Taxes	12,500,000	14,651,171	2,151,171
Charges for Services	4,517,179	4,541,139	23,960
Licenses and Permits	5,350	6,390	1,040
Fines and Forfeitures	381,400	393,816	12,416
Intergovernmental	1,956,831	2,359,401	402,570
Interest	1,001,500	2,905,858	1,904,358
Payments in Lieu of Taxes	185,000	192,561	7,561
Rent	94,944	149,140	54,196
Contributions and Donations	0	16,103	16,103
Other	133,834	121,343	(12,491)
<i>Total Revenues</i>	<u>23,403,010</u>	<u>28,014,678</u>	<u>4,611,668</u>
Expenditures			
Current:			
General Government -			
Legislative and Executive			
Board of County Commissioners			
Salaries and Wages	664,288	573,097	91,191
Fringe Benefits	262,380	211,415	50,965
Materials and Supplies	76,364	74,714	1,650
Contractual Services	1,190,566	1,055,457	135,109
Capital Outlay	329,538	216,898	112,640
Other	433,898	367,267	66,631
<i>Total Board of County Commissioners</i>	<u>2,957,034</u>	<u>2,498,848</u>	<u>458,186</u>
County Auditor			
Salaries and Wages	327,840	327,446	394
Fringe Benefits	133,948	129,802	4,146
Materials and Supplies	30,276	30,109	167
Contractual Services	53,192	52,642	550
Capital Outlay	8,051	7,987	64
Other	11	11	0
<i>Total County Auditor</i>	<u>553,318</u>	<u>547,997</u>	<u>5,321</u>
Economic Development			
Contractual Services	850,830	273,764	577,066

(continued)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
General Government - Legislative and Executive (continued)			
Assessing Personal Property			
Salaries and Wages	\$52,000	\$51,888	\$112
Fringe Benefits	8,231	7,936	295
Materials and Supplies	1,649	1,236	413
<i>Total Assessing Personal Property</i>	<u>61,880</u>	<u>61,060</u>	<u>820</u>
Assessing Real Property			
Salaries and Wages	32,050	32,023	27
Fringe Benefits	55,782	55,541	241
<i>Total Assessing Real Property</i>	<u>87,832</u>	<u>87,564</u>	<u>268</u>
County Treasurer			
Salaries and Wages	130,693	130,373	320
Fringe Benefits	68,458	65,731	2,727
Materials and Supplies	6,343	4,763	1,580
Contractual Services	39,087	33,334	5,753
Capital Outlay	1,800	0	1,800
Other	2,000	2,000	0
<i>Total County Treasurer</i>	<u>248,381</u>	<u>236,201</u>	<u>12,180</u>
Prosecuting Attorney			
Salaries and Wages	746,431	731,217	15,214
Fringe Benefits	271,018	263,295	7,723
Materials and Supplies	56,627	52,320	4,307
Contractual Services	10,368	5,447	4,921
Capital Outlay	17,000	12,188	4,812
Other	93,962	77,530	16,432
<i>Total Prosecuting Attorney</i>	<u>1,195,406</u>	<u>1,141,997</u>	<u>53,409</u>
Budget Commission			
Salaries and Wages	30,507	30,507	0
Fringe Benefits	9,978	9,543	435
Materials and Supplies	13,800	12,454	1,346
Capital Outlay	8,762	8,372	390
<i>Total Budget Commission</i>	<u>63,047</u>	<u>60,876</u>	<u>2,171</u>
Bureau of Inspection			
Examinations - County Offices	92,505	92,505	0

(continued)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
General Government - Legislative and Executive (continued)			
Board of Revision			
Other	\$3,007	\$3,007	\$0
Board of Elections			
Salaries and Wages	282,411	280,775	1,636
Fringe Benefits	57,200	55,743	1,457
Materials and Supplies	103,500	102,557	943
Contractual Services	160,135	159,064	1,071
Capital Outlay	18,245	18,197	48
<i>Total Board of Elections</i>	<u>621,491</u>	<u>616,336</u>	<u>5,155</u>
Automatic Data Processing Board			
Salaries and Wages	45,725	45,709	16
Fringe Benefits	7,830	7,585	245
Materials and Supplies	10,073	10,035	38
Contractual Services	21,948	21,916	32
Capital Outlay	5,872	5,311	561
<i>Total Automatic Data Processing Board</i>	<u>91,448</u>	<u>90,556</u>	<u>892</u>
Information Services			
Salaries and Wages	143,036	142,836	200
Fringe Benefits	51,689	48,759	2,930
Materials and Supplies	1,000	688	312
Contractual Services	1,000	0	1,000
Capital Outlay	39,508	39,004	504
<i>Total Information Services</i>	<u>236,233</u>	<u>231,287</u>	<u>4,946</u>
Geographic Information Services			
Salaries and Wages	80,000	72,542	7,458
Fringe Benefits	40,621	18,567	22,054
Materials and Supplies	8,060	7,862	198
Contractual Services	41,942	40,619	1,323
Capital Outlay	15,161	14,805	356
<i>Total Geographic Information Services</i>	<u>185,784</u>	<u>154,395</u>	<u>31,389</u>
Maintenance and Operation			
Salaries and Wages	530,000	524,917	5,083
Fringe Benefits	278,904	269,083	9,821
Materials and Supplies	175,000	88,291	86,709
Contractual Services	301,089	192,358	108,731
Capital Outlay	5,798	5,010	788
Other	222,471	81,640	140,831
<i>Total Maintenance and Operation</i>	<u>1,513,262</u>	<u>1,161,299</u>	<u>351,963</u>

(continued)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
General Government - Legislative and Executive (continued)			
Recorder			
Salaries and Wages	\$164,972	\$152,472	\$12,500
Fringe Benefits	53,270	49,999	3,271
Materials and Supplies	9,064	7,741	1,323
Contractual Services	58,089	45,778	12,311
Other	2,000	1,921	79
<i>Total Recorder</i>	<u>287,395</u>	<u>257,911</u>	<u>29,484</u>
Insurance on Property			
Other County Property	370,154	320,952	49,202
Fleet Garage			
Salaries and Wages	101,200	98,761	2,439
Salaries and Wages	15,699	15,510	189
Salaries and Wages	122,308	118,093	4,215
<i>Total Fleet Garage</i>	<u>239,207</u>	<u>232,364</u>	<u>6,843</u>
<i>Total General Government - Legislative and Executive</i>	<u>9,658,214</u>	<u>8,068,919</u>	<u>1,589,295</u>
General Government - Judicial			
Court of Appeals			
Other	9,932	9,932	0
Domestic Relations Court			
Salaries and Wages	459,194	453,983	5,211
Fringe Benefits	128,889	125,099	3,790
Materials and Supplies	11,273	10,908	365
Contractual Services	4,604	4,308	296
Capital Outlay	14,293	12,819	1,474
Other	200	0	200
<i>Total Domestic Relations Court</i>	<u>618,453</u>	<u>607,117</u>	<u>11,336</u>

(continued)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2006

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Government - Judicial (continued)			
Common Pleas Court			
Salaries and Wages	\$230,576	\$210,812	\$19,764
Fringe Benefits	131,323	124,024	7,299
Materials and Supplies	22,598	19,715	2,883
Contractual Services	104,381	55,709	48,672
Capital Outlay	60,000	13,767	46,233
Other	6,172	3,603	2,569
<i>Total Common Pleas Court</i>	<u>555,050</u>	<u>427,630</u>	<u>127,420</u>
Jury Commission			
Salaries and Wages	8,000	4,800	3,200
Fringe Benefits	1,242	789	453
<i>Total Jury Commission</i>	<u>9,242</u>	<u>5,589</u>	<u>3,653</u>
Adult Probation			
Salaries and Wages	216,687	216,687	0
Fringe Benefits	39,101	32,386	6,715
Materials and Supplies	1,473	1,473	0
Contractual Services	2,707	2,673	34
Capital Outlay	448	0	448
<i>Total Adult Probation</i>	<u>260,416</u>	<u>253,219</u>	<u>7,197</u>
Juvenile Court			
Salaries and Wages	289,782	284,749	5,033
Fringe Benefits	513,597	492,754	20,843
Materials and Supplies	15,308	15,308	0
Contractual Services	55,398	29,292	26,106
Other	25,360	25,298	62
<i>Total Juvenile Court</i>	<u>899,445</u>	<u>847,401</u>	<u>52,044</u>
Juvenile Probation			
Salaries and Wages	427,985	426,246	1,739
Fringe Benefits	58,676	55,314	3,362
Materials and Supplies	1,509	1,509	0
Capital Outlay	14,462	14,462	0
Other	25,581	18,169	7,412
<i>Total Juvenile Probation</i>	<u>528,213</u>	<u>515,700</u>	<u>12,513</u>

(continued)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
General Government - Judicial (continued)			
Detention Home			
Salaries and Wages	\$1,172,474	\$1,126,610	\$45,864
Fringe Benefits	189,381	162,170	27,211
Materials and Supplies	105,175	105,080	95
Contractual Services	7,350	7,350	0
Capital Outlay	2,658	2,658	0
Other	53,521	52,828	693
<i>Total Detention Home</i>	<u>1,530,559</u>	<u>1,456,696</u>	<u>73,863</u>
Probate Court			
Salaries and Wages	131,980	131,891	89
Fringe Benefits	64,024	61,152	2,872
Materials and Supplies	7,455	7,414	41
Contractual Services	5,412	4,752	660
Capital Outlay	13,035	13,035	0
Other	5,804	5,804	0
<i>Total Probate Court</i>	<u>227,710</u>	<u>224,048</u>	<u>3,662</u>
Clerk of Courts			
Salaries and Wages	245,900	235,398	10,502
Fringe Benefits	140,529	135,275	5,254
Materials and Supplies	17,457	17,457	0
Contractual Services	39,894	37,670	2,224
Capital Outlay	4,200	4,182	18
Other	1,272	1,272	0
<i>Total Clerk of Courts</i>	<u>449,252</u>	<u>431,254</u>	<u>17,998</u>
County Court			
Salaries and Wages	243,332	240,590	2,742
Fringe Benefits	106,255	103,385	2,870
Materials and Supplies	11,678	10,545	1,133
Contractual Services	1,891	1,500	391
Capital Outlay	3,400	2,394	1,006
Other	9,876	9,093	783
<i>Total County Court</i>	<u>376,432</u>	<u>367,507</u>	<u>8,925</u>
Municipal Court			
Salaries and Wages	70,759	67,912	2,847
Fringe Benefits	11,298	10,534	764
<i>Total Municipal Court</i>	<u>82,057</u>	<u>78,446</u>	<u>3,611</u>

(continued)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
General Government - Judicial (continued)			
Law Library			
Salaries and Wages	\$25,366	\$23,933	\$1,433
Fringe Benefits	3,921	3,752	169
<i>Total Law Library</i>	<u>29,287</u>	<u>27,685</u>	<u>1,602</u>
Attorney Fees - Public Defender Attorney Fees	<u>730,000</u>	<u>625,347</u>	<u>104,653</u>
<i>Total General Government - Judicial</i>	<u>6,306,048</u>	<u>5,877,571</u>	<u>428,477</u>
Public Safety			
Coroner's Office			
Salaries and Wages	44,800	44,425	375
Fringe Benefits	17,080	16,396	684
Materials and Supplies	500	480	20
Contractual Services	56,350	55,948	402
Other	500	0	500
<i>Total Coroner's Office</i>	<u>119,230</u>	<u>117,249</u>	<u>1,981</u>
Sheriff			
Salaries and Wages	4,055,952	4,050,760	5,192
Fringe Benefits	1,973,328	1,922,702	50,626
Materials and Supplies	256,849	252,014	4,835
Contractual Services	291,623	273,726	17,897
Capital Outlay	101,478	101,382	96
Other	38,150	36,802	1,348
<i>Total Sheriff</i>	<u>6,717,380</u>	<u>6,637,386</u>	<u>79,994</u>
Jail			
Contractual Services	<u>668,112</u>	<u>658,133</u>	<u>9,979</u>

(continued)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Public Safety (continued)			
Disaster Services			
Salaries and Wages	\$25,502	\$25,271	\$231
Fringe Benefits	3,371	3,276	95
Materials and Supplies	500	116	384
Capital Outlay	14,125	13,835	290
Other	1,853	1,175	678
<i>Total Disaster Services</i>	<u>45,351</u>	<u>43,673</u>	<u>1,678</u>
Building Regulation			
Salaries and Wages	510,200	494,653	15,547
Fringe Benefits	209,583	201,449	8,134
Materials and Supplies	14,653	13,079	1,574
Contractual Services	137,966	129,113	8,853
Other	29,684	21,702	7,982
<i>Total Building Regulation</i>	<u>902,086</u>	<u>859,996</u>	<u>42,090</u>
<i>Total Public Safety</i>	<u>8,452,159</u>	<u>8,316,437</u>	<u>135,722</u>
Public Works			
Engineer			
Salaries and Wages	134,000	132,527	1,473
Fringe Benefits	24,273	22,963	1,310
Materials and Supplies	4,630	4,419	211
Contractual Services	3,899	1,080	2,819
Capital Outlay	105,044	14,740	90,304
Other	5,742	5,519	223
<i>Total Engineer</i>	<u>277,588</u>	<u>181,248</u>	<u>96,340</u>
Technical Support			
Salaries and Wages	10,000	0	10,000
Fringe Benefits	1,537	167	1,370
Materials and Supplies	4,975	0	4,975
Other	4,908	0	4,908
<i>Total Technical Support</i>	<u>21,420</u>	<u>167</u>	<u>21,253</u>
Planning Commission			
Salaries and Wages	7,500	2,983	4,517
Fringe Benefits	1,596	391	1,205
Materials and Supplies	1,742	1,246	496
<i>Total Planning Commission</i>	<u>10,838</u>	<u>4,620</u>	<u>6,218</u>
Litter Control			
Fringe Benefits	12,373	11,714	659
Geographic Information System			
Fringe Benefits	19,389	18,922	467
<i>Total Public Works</i>	<u>341,608</u>	<u>216,671</u>	<u>124,937</u>

(continued)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Health			
Humane Society			
Salaries and Wages	\$22,650	\$22,513	\$137
Fringe Benefits	13,814	13,530	284
<i>Total Humane Society</i>	<u>36,464</u>	<u>36,043</u>	<u>421</u>
Agriculture			
Grant	257,500	257,500	0
Apiary Inspection	2,000	819	1,181
<i>Total Agriculture</i>	<u>259,500</u>	<u>258,319</u>	<u>1,181</u>
Other Health			
Crippled Children Aid	\$137,064	\$136,720	\$344
Other	60,495	60,495	0
<i>Total Other Health</i>	<u>197,559</u>	<u>197,215</u>	<u>344</u>
<i>Total Health</i>	<u>493,523</u>	<u>491,577</u>	<u>1,946</u>
Human Services			
Soldier's Relief			
Salaries and Wages	20,852	20,832	20
Fringe Benefits	9,667	7,525	2,142
Materials and Supplies	11,100	8,177	2,923
Contractual Services	236,300	192,999	43,301
Capital Outlay	6,000	651	5,349
Other	1,000	200	800
<i>Total Soldier's Relief</i>	<u>284,919</u>	<u>230,384</u>	<u>54,535</u>
Veteran's Services			
Salaries and Wages	154,852	154,326	526
Fringe Benefits	46,028	43,849	2,179
Materials and Supplies	6,550	2,930	3,620
Contractual Services	38,600	12,936	25,664
Other	500	0	500
<i>Total Veteran's Services</i>	<u>246,530</u>	<u>214,041</u>	<u>32,489</u>
<i>Total Human Services</i>	<u>531,449</u>	<u>444,425</u>	<u>87,024</u>

(continued)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Intergovernmental			
Contractual Services	\$365,019	\$361,926	\$3,093
Grants	702,805	305,406	397,399
<i>Total Intergovernmental</i>	<u>1,067,824</u>	<u>667,332</u>	<u>400,492</u>
Debt Service:			
Principal Retirement	1,828	1,828	0
Interest and Fiscal Charges	512	512	0
<i>Total Debt Service</i>	<u>2,340</u>	<u>2,340</u>	<u>0</u>
<i>Total Expenditures</i>	<u>26,853,165</u>	<u>24,085,272</u>	<u>2,767,893</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,450,155)</u>	<u>3,929,406</u>	<u>7,379,561</u>
Other Financing Sources (Uses)			
Proceeds from the Sale of Capital Assets	0	15,959	15,959
Advances In	0	157,329	157,329
Advances Out	0	(231,181)	(231,181)
Transfers In	446,069	206,592	(239,477)
Transfers Out	(4,110,657)	(3,880,302)	230,355
<i>Total Other Financing Sources (Uses)</i>	<u>(3,664,588)</u>	<u>(3,731,603)</u>	<u>(67,015)</u>
<i>Net Change in Fund Balance</i>	(7,114,743)	197,803	7,312,546
Fund Balance at Beginning of Year	8,050,405	8,050,405	0
Prior Year Encumbrances Appropriated	418,841	418,841	0
<i>Fund Balance at End of Year</i>	<u><u>\$1,354,503</u></u>	<u><u>\$8,667,049</u></u>	<u><u>\$7,312,546</u></u>

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

The special revenue funds account for those financial resources that are restricted by legal, regulatory, or administrative action to finance particular functions or activities of the County.

Debt Service Funds

The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds).

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,615,563	\$453,742	\$2,258,046	\$8,327,351
Restricted Cash and Cash Equivalents	1,418,363	0	81,170	1,499,533
Receivables:				
Property Taxes	2,793,415	0	0	2,793,415
Payments in Lieu of Taxes	211,732	0	0	211,732
Accounts	165,480	0	0	165,480
Intergovernmental	847,245	0	174,147	1,021,392
Interfund	291,154	0	0	291,154
Special Assessments	0	1,459,147	0	1,459,147
Loans	0	383,229	0	383,229
Materials and Supplies Inventory	72,759	0	0	72,759
Prepaid Items	3,678	0	3,152	6,830
<i>Total Assets</i>	<u>\$11,419,389</u>	<u>\$2,296,118</u>	<u>\$2,516,515</u>	<u>\$16,232,022</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$103,421	\$0	\$590	\$104,011
Contracts Payable	0	0	16,200	16,200
Accrued Interest Payable	10,816	0	0	10,816
Accrued Wages and Benefits	93,813	0	146	93,959
Matured Compensated Absences Payable	10,405	0	0	10,405
Retainage Payable	0	0	20,880	20,880
Interfund Payable	141,503	6,266	19,840	167,609
Intergovernmental Payable	157,882	0	251	158,133
Notes Payable	1,000,000	0	218,391	1,218,391
Deferred Revenue	3,660,249	1,459,147	174,147	5,293,543
<i>Total Liabilities</i>	<u>5,178,089</u>	<u>1,465,413</u>	<u>450,445</u>	<u>7,093,947</u>
Fund Balances				
Reserved for Encumbrances	253,527	550	54,148	308,225
Reserved for Loans	0	363,229	0	363,229
Reserved for Loan Guaranty	925,000	0	0	925,000
Reserved for Long - Term Contracts Payable	93,436	0	0	93,436
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,969,337	0	0	4,969,337
Debt Service Funds	0	466,926	0	466,926
Capital Projects Funds	0	0	2,011,922	2,011,922
<i>Total Fund Balances</i>	<u>6,241,300</u>	<u>830,705</u>	<u>2,066,070</u>	<u>9,138,075</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,419,389</u>	<u>\$2,296,118</u>	<u>\$2,516,515</u>	<u>\$16,232,022</u>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$2,476,325	\$0	\$0	\$2,476,325
Special Assessments	0	79,349	0	79,349
Charges for Services	1,574,615	0	70,197	1,644,812
Licenses and Permits	461,907	0	0	461,907
Fines and Forfeitures	118,722	0	91,844	210,566
Intergovernmental	5,371,726	16,380	1,608,268	6,996,374
Interest	15,458	68,159	64	83,681
Payments in Lieu of Taxes	211,577	0	0	211,577
Rent	0	418,516	0	418,516
Contributions and Donations	19,648	0	0	19,648
Other	85,663	0	0	85,663
<i>Total Revenues</i>	<u>10,335,641</u>	<u>582,404</u>	<u>1,770,373</u>	<u>12,688,418</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,175,165	0	0	1,175,165
Judicial	60,669	0	87,390	148,059
Public Safety	1,983,934	0	0	1,983,934
Public Works	2,646,712	0	84,786	2,731,498
Health	721,909	0	0	721,909
Human Services	4,759,178	0	35,262	4,794,440
Capital Outlay	0	0	1,925,806	1,925,806
Intergovernmental	1,754,708	0	0	1,754,708
Debt Service:				
Principal Retirement	1,663	964,181	0	965,844
Interest and Fiscal Charges	15,874	741,433	30,363	787,670
Issuance Costs	0	0	9,731	9,731
<i>Total Expenditures</i>	<u>13,119,812</u>	<u>1,705,614</u>	<u>2,173,338</u>	<u>16,998,764</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,784,171)</u>	<u>(1,123,210)</u>	<u>(402,965)</u>	<u>(4,310,346)</u>
Other Financing Sources (Use)				
General Obligation Bonds Issued	0	0	860,000	860,000
Premium on General Obligation Bonds Issued	0	0	903	903
Transfers In	2,907,466	1,175,141	834,066	4,916,673
Transfers Out	(610,431)	0	(17,841)	(628,272)
<i>Total Other Financing Sources (Use)</i>	<u>2,297,035</u>	<u>1,175,141</u>	<u>1,677,128</u>	<u>5,149,304</u>
<i>Net Change in Fund Balances</i>	(487,136)	51,931	1,274,163	838,958
Fund Balances at Beginning of Year	<u>6,728,436</u>	<u>778,774</u>	<u>791,907</u>	<u>8,299,117</u>
<i>Fund Balances at End of Year</i>	<u>\$6,241,300</u>	<u>\$830,705</u>	<u>\$2,066,070</u>	<u>\$9,138,075</u>

SPECIAL REVENUE FUNDS

The special revenue funds account for those financial resources that are restricted by legal, regulatory, or administrative action to finance particular functions or activities of the County. The following are reported as special revenue funds:

Major Special Revenue Funds

Public Assistance Fund - To account for various federal and state grants as well as transfers from the General Fund, used to provide public assistance to general relief recipients and to pay their providers of medical assistance, and for certain public social services.

Motor Vehicle and Gasoline Tax Fund - To account for revenues derived from the motor vehicle licenses, gasoline taxes, and grants. Ohio state law restricts expenditures in this fund to county road and bridge repair and improvement programs.

County Home Levy Fund - To account for revenues for room and board as well as property taxes used to administer and operate the County Home.

Starlight School Levy Fund - To account for property tax revenues and federal and state grants. Expenditures are restricted by state law to those that benefit the mentally retarded and the developmentally disabled. County expenditures have been for social service contracts, medical providers, and costs to maintain and operate buildings and buses provided for the mentally retarded and developmentally disabled.

Children Services Levy Fund - To account for revenues derived from property taxes and state and federal funds. State law restricts the expenditures of these revenues to programs designed to aid homeless children or children from troubled families.

Nonmajor Special Revenue Funds

Dog and Kennel Fund - To account for the dog warden's operations, financed by sales of dog tags, kennel permits and fine collections.

Child Support Enforcement Agency Fund - To account for state, federal and local revenue used to administer the County Child Support program.

Childrens' Services Trust Fund - To account for bequests left for the purpose of maintaining the County Children's Home.

Real Estate Assessment Fund - To account for state mandated county-wide real estate reappraisals that are funded by charges to the political subdivisions located within the County.

Redevelopment Tax Equivalent Fund - To account for money received pursuant to a tax increment financing agreement between the County and a local vendor to be used for expenses incurred during the construction of an adjoining road.

Drug Abuse Resistance Education (DARE) Fund - To account for the education of school children regarding drug abuse conducted by the Sheriff's Department.

Miscellaneous Federal Grants Fund - To account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. The individual funds are maintained separately on the County's books.

(continued)

SPECIAL REVENUE FUNDS (Continued)

Access Visitation Grant Fund - To account for revenues derived from a contract between the Job and Family Services Department and the Muskingum County Domestic Court. Expenditures are for contractual services in which a person has to supervise parent visitations with their children.

Delinquent Real Estate Tax and Assessment Collection Fund - To account for the monies received from delinquent real estate tax and assessment collections. Half of the money is to be allocated to the Prosecutor and the other half to the Treasurer for use in the collection of delinquent property taxes and assessments.

Homeland Security Fund - To account for federal grants used to strengthen county-level capability to respond effectively to weapons of mass destruction and all hazard incidences in Muskingum County.

Tuberculosis Clinic Fund - To account for a County-wide property tax levy used to diagnose and treat people with tuberculosis and respiratory diseases in the County.

Youth Services Fund - To account for grant monies received from the State Department of Youth Services used for the placement of children, a diversion program, juvenile delinquency prevention and other related activities.

Block Grants Fund - To account for revenue from the federal government used for a revolving loan program and for improvements to targeted areas within the County.

Computer Legal Research Fund - To account for Clerk of Courts computer fees used for computerization of the Law Library.

Community Correction Fund - To account for grant monies from the State of Ohio used to assist the County in correctional rehabilitation of persons on probation.

Home Detention (Electronic Monitor) Fund - To account for fees from the County Courts used for in-home housing of prisoners.

Litter Prevention Fund - To account for a state grant to enforce litter laws and educate citizens.

Ohio Childrens Trust Fund - To account for state grants to promote the prevention of child abuse and neglect in the County for children ages 0-5 and their families.

Marriage License Fund - To account for marriage license fees. Fees are paid to Transitions Inc. and used for the treatment of battered women.

Political Subdivision Housing Fund - To account for fines and forfeitures used for the Adult Probation Program as specified by entry from the Courts. Created pursuant to Ohio Revised Code Section 4511.99.

Indigent Drivers Alcohol Treatment Fund - To account for fines from the State and County Court. Created pursuant to Ohio Revised Code Section 4511.191.

Probate Conduct of Business Fund - To account for monies from a portion of marriage license fees to be used at the discretion of the Probate Judge pursuant to Ohio Revised Code Section 2101.19.

Enforcement and Education Fund - To account for monies received from convictions on alcohol related cases used for education of the community at large and for the purchase of law enforcement equipment.

(continued)

SPECIAL REVENUE FUNDS (Continued)

Law Enforcement Fund - To account for fines from the County courts used by the Sheriff and Prosecuting Attorney for investigations, prosecutions and training for law enforcement personnel.

Legal Aid Society Fund - To account for a 1% administrative fee from probate court to be used as allowed by law for salaries and fringe benefits.

Senior Citizens Levy Fund - To account for revenue derived from property taxes used to assist in the providing of programs and services to the senior citizens of the County.

Felony Delinquent Care and Custody Fund - To account for grant monies which are used for the Intensive Probation Program.

Drug Law Enforcement Fund - To account for income from fines on drug-related cases used for drug-related investigations.

Indigent Guardianship Fund - To account for probate court fees used for court appointed guardians for indigents.

Victim of Criminals Fund - To account for donations for state grant monies to be used to assist the victims of crime.

Sheriff Commissary Fund - To account for sales within the commissary to County jail inmates.

Children Services Christmas Fund - To account for donations from citizens used to purchase gifts for children under care.

Mental Health Levy Fund - To account for a County-wide property tax levy used for the County's share in the Muskingum Area Alcohol, Drug Addiction and Mental Health Board.

Certificate of Title Administration Fund - To account for the title fees used for the operation of the title office of the Clerk of Courts.

Sheriff Levy Fund - To account for a County-wide property tax levy to be used to provide additional law enforcement in the County.

Court Special Projects Fund - To account for money received by the various courts from fees and charges over and above normal court costs to be utilized for special projects of the courts.

Transportation Improvement District (TID) Escrow Fund - To account for non-tax revenues set aside for the purpose of a loan guaranty.

Juvenile Detention Fund - To account for state and federal grants used in the operation and maintenance of the Detention Facility.

Concealed Weapon Fund - To account for fees collected from the issuance or renewal of license to carry a concealed handgun. These monies are used for costs incurred by the sheriff in connection with issuing these licenses or costs associated with handgun safety education programs.

(continued)

SPECIAL REVENUE FUNDS (Continued)

Wireless 911 Fund - To account for a surcharge on cell phones used for the implementation and operation of a wireless 911 system.

Brandywine Loop Extension Fund - To account for the proceeds of a note and tax increment financing to be used as a grant given to the City of Zanesville for an extension of a bypass route.

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$815,073	\$1,064,028	\$248,955
Intergovernmental	18,956,461	14,422,006	(4,534,455)
Other	10,716	10,716	0
<i>Total Revenues</i>	<u>19,782,250</u>	<u>15,496,750</u>	<u>(4,285,500)</u>
Expenditures			
Current:			
Human Services			
Public Assistance			
Salaries and Wages	3,839,999	3,721,737	118,262
Fringe Benefits	1,881,297	1,615,681	265,616
Materials and Supplies	168,634	153,526	15,108
Contractual Services	10,853,638	9,679,724	1,173,914
Capital Outlay	428,599	382,236	46,363
Other	3,108,548	2,882,424	226,124
<i>Total Human Services</i>	<u>20,280,715</u>	<u>18,435,328</u>	<u>1,845,387</u>
Debt Service:			
Principal Retirement	4,527	4,527	0
Interest and Fiscal Charges	683	683	0
<i>Total Debt Service</i>	<u>5,210</u>	<u>5,210</u>	<u>0</u>
<i>Total Expenditures</i>	<u>20,285,925</u>	<u>18,440,538</u>	<u>1,845,387</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(503,675)</u>	<u>(2,943,788)</u>	<u>(2,440,113)</u>
Other Financing Sources (Use)			
Advances In	0	19,760	19,760
Transfers In	420,000	533,232	113,232
Transfers Out	(22,255)	(22,255)	0
<i>Total Other Financing Sources (Use)</i>	<u>397,745</u>	<u>530,737</u>	<u>132,992</u>
<i>Net Change in Fund Balance</i>	(105,930)	(2,413,051)	(2,307,121)
Fund Balance (Deficit) at Beginning of Year	(720,760)	(720,760)	0
Prior Year Encumbrances Appropriated	<u>1,395,638</u>	<u>1,395,638</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$568,948</u></u>	<u><u>(\$1,738,173)</u></u>	<u><u>(\$2,307,121)</u></u>

Muskingum County, Ohio
 Schedule of Revenues, Expenditures, and Changes
 In Fund Balance - Budget (Non-GAAP Basis) and Actual
 Motor Vehicle and Gasoline Tax Fund
 For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Permissive Motor Vehicle License Tax	\$250,000	\$461,017	\$211,017
Charges for Services	0	315	315
Licenses and Permits	5,000	5,260	260
Fines and Forfeitures	100,000	97,572	(2,428)
Intergovernmental	4,939,000	5,143,125	204,125
Interest	28,000	33,541	5,541
Contributions and Donations	35,000	35,737	737
Other	471,583	259,608	(211,975)
<i>Total Revenues</i>	<u>5,828,583</u>	<u>6,036,175</u>	<u>207,592</u>
Expenditures			
Current:			
Public Works			
Engineer			
Salaries and Wages	413,500	408,518	4,982
Fringe Benefits	103,516	111,180	(7,664)
Materials and Supplies	3,454	1,046	2,408
Contractual Services	27,200	27,138	62
Capital Outlay	26,844	26,844	0
Other	7,273	5,141	2,132
<i>Total Engineer</i>	<u>581,787</u>	<u>579,867</u>	<u>1,920</u>
Roads			
Salaries and Wages	1,010,000	902,891	107,109
Fringe Benefits	667,785	658,457	9,328
Materials and Supplies	1,598,691	1,516,531	82,160
Contractual Services	340,536	263,597	76,939
Capital Outlay	636,410	609,536	26,874
Other	532,083	509,190	22,893
<i>Total Roads</i>	<u>4,785,505</u>	<u>4,460,202</u>	<u>325,303</u>
Bridges and Culverts			
Salaries and Wages	180,000	171,315	8,685
Fringe Benefits	25,572	25,572	0
Materials and Supplies	289,897	287,369	2,528
Contractual Services	229,630	229,630	0
Other	6,126	6,059	67
<i>Total Bridges and Culverts</i>	<u>731,225</u>	<u>719,945</u>	<u>11,280</u>
<i>Total Public Works</i>	<u>6,098,517</u>	<u>5,760,014</u>	<u>338,503</u>
Intergovernmental			
Contractual Services	250,000	123,859	126,141
Debt Service:			
Principal Retirement	137,299	137,299	0
Interest and Fiscal Charges	13,820	13,820	0
<i>Total Debt Service</i>	<u>151,119</u>	<u>151,119</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,499,636</u>	<u>6,034,992</u>	<u>464,644</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(671,053)</u>	<u>1,183</u>	<u>672,236</u>
Other Financing Sources (Use)			
Advances In	0	8,235	8,235
Transfers In	351,843	723	(351,120)
Transfers Out	(468,767)	(311,811)	156,956
<i>Total Other Financing Sources (Use)</i>	<u>(116,924)</u>	<u>(302,853)</u>	<u>(185,929)</u>
<i>Net Change in Fund Balance</i>	<u>(787,977)</u>	<u>(301,670)</u>	<u>486,307</u>
Fund Balance at Beginning of Year	1,179,479	1,179,479	0
Prior Year Encumbrances Appropriated	260,702	260,702	0
<i>Fund Balance at End of Year</i>	<u>\$652,204</u>	<u>\$1,138,511</u>	<u>\$486,307</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
County Home Levy Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$3,141,300	\$3,047,490	(\$93,810)
Charges for Services	661,208	684,357	23,149
Intergovernmental	466,637	466,637	0
Payments in Lieu of Taxes	27,166	27,185	19
Contributions and Donations	1,200	1,270	70
Other	5,959	2,943	(3,016)
<i>Total Revenues</i>	<u>4,303,470</u>	<u>4,229,882</u>	<u>(73,588)</u>
Expenditures			
Current:			
Human Services			
County Home			
Salaries and Wages	2,009,374	1,997,615	11,759
Fringe Benefits	782,642	772,026	10,616
Materials and Supplies	282,497	239,538	42,959
Contractual Services	243,541	232,687	10,854
Capital Outlay	67,862	61,384	6,478
Other	10,000	9,831	169
<i>Total Expenditures</i>	<u>3,395,916</u>	<u>3,313,081</u>	<u>82,835</u>
<i>Excess of Revenues Over Expenditures</i>	<u>907,554</u>	<u>916,801</u>	<u>9,247</u>
Other Financing Source (Use)			
Advances In	0	10,567	10,567
Advances Out	0	(47,000)	(47,000)
<i>Total Other Financing Source (Use)</i>	<u>0</u>	<u>(36,433)</u>	<u>(36,433)</u>
<i>Net Change in Fund Balance</i>	907,554	880,368	(27,186)
Fund Balance at Beginning of Year	<u>1,072</u>	<u>1,072</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$908,626</u></u>	<u><u>\$881,440</u></u>	<u><u>(\$27,186)</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Starlight School Levy Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$3,308,670	\$3,308,670	\$0
Intergovernmental	3,605,079	3,610,142	5,063
Payments in Lieu of Taxes	0	44,724	44,724
Contributions and Donations	37,000	57,014	20,014
Other	24,198	12,342	(11,856)
<i>Total Revenues</i>	<u>6,974,947</u>	<u>7,032,892</u>	<u>57,945</u>
Expenditures			
Current:			
Human Services			
Starlight School			
Salaries and Wages	4,757,314	4,136,675	620,639
Fringe Benefits	1,487,500	1,368,131	119,369
Materials and Supplies	94,465	76,874	17,591
Contractual Services	917,837	842,621	75,216
Capital Outlay	265,354	167,070	98,284
Other	190,237	71,047	119,190
<i>Total Expenditures</i>	<u>7,712,707</u>	<u>6,662,418</u>	<u>1,050,289</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(737,760)</u>	<u>370,474</u>	<u>1,108,234</u>
Other Financing Sources (Use)			
Advances In	0	19,566	19,566
Transfers In	98,839	17,841	(80,998)
Transfers Out	(580,998)	(500,000)	80,998
<i>Total Other Financing Sources (Use)</i>	<u>(482,159)</u>	<u>(462,593)</u>	<u>19,566</u>
<i>Net Change in Fund Balance</i>	<u>(1,219,919)</u>	<u>(92,119)</u>	<u>1,127,800</u>
Fund Balance at Beginning of Year	9,169,605	9,169,605	0
Prior Year Encumbrances Appropriated	146,561	146,561	0
<i>Fund Balance at End of Year</i>	<u><u>\$8,096,247</u></u>	<u><u>\$9,224,047</u></u>	<u><u>\$1,127,800</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Children Services Levy Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$1,471,573	\$1,473,349	\$1,776
Intergovernmental	3,118,205	3,100,823	(17,382)
Contributions and Donations	500	1,544	1,044
Other	5,200	12,846	7,646
<i>Total Revenues</i>	<u>4,595,478</u>	<u>4,588,562</u>	<u>(6,916)</u>
Expenditures			
Current:			
Human Services			
Children Services			
Salaries and Wages	3,125,587	2,501,422	624,165
Fringe Benefits	1,197,742	1,058,119	139,623
Materials and Supplies	254,944	150,022	104,922
Contractual Services	3,724,161	2,200,529	1,523,632
Capital Outlay	102,508	5,206	97,302
Other	582,158	243,810	338,348
<i>Total Expenditures</i>	<u>8,987,100</u>	<u>6,159,108</u>	<u>2,827,992</u>
<i>Excess of Revenues Under Expenditures</i>	(4,391,622)	(1,570,546)	2,821,076
Other Financing Source			
Advances In	<u>0</u>	<u>12,997</u>	<u>12,997</u>
<i>Net Change in Fund Balance</i>	(4,391,622)	(1,557,549)	2,834,073
Fund Balance at Beginning of Year	4,455,720	4,455,720	0
Prior Year Encumbrances Appropriated	<u>321,282</u>	<u>321,282</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$385,380</u></u>	<u><u>\$3,219,453</u></u>	<u><u>\$2,834,073</u></u>

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2006

	Dog and Kennel	Child Support Enforcement Agency	Childrens' Services Trust	Real Estate Assessment	Redevelopment Tax Equivalent
Assets					
Equity in Pooled Cash and Cash Equivalents	\$139,264	\$137,551	\$161,879	\$892,071	\$0
Restricted Cash and Cash Equivalents	0	0	0	0	0
Receivables:					
Property Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	93,436
Accounts	0	504	0	0	0
Intergovernmental	0	22,451	0	0	0
Interfund	0	287,968	0	0	0
Materials and Supplies Inventory	2,053	2,008	0	0	0
Prepaid Items	250	2,292	0	962	0
<i>Total Assets</i>	<u>\$141,567</u>	<u>\$452,774</u>	<u>\$161,879</u>	<u>\$893,033</u>	<u>\$93,436</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$1,620	\$0	\$33,649	\$0
Accrued Interest Payable	0	0	0	0	0
Accrued Wages and Benefits	1,731	44,153	0	4,237	0
Matured Compensated Absences Payable	0	0	0	0	0
Interfund Payable	421	53,839	0	1,134	0
Intergovernmental Payable	2,950	77,669	0	8,199	0
Notes Payable	0	0	0	0	0
Deferred Revenue	0	0	0	0	0
<i>Total Liabilities</i>	<u>5,102</u>	<u>177,281</u>	<u>0</u>	<u>47,219</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	0	160,109	0	1,679	0
Reserved for Loan Guaranty	0	0	0	0	0
Reserved for Long - Term Contracts Payable	0	0	0	0	93,436
Unreserved:					
Undesignated (Deficit)	136,465	115,384	161,879	844,135	0
<i>Total Fund Balances (Deficit)</i>	<u>136,465</u>	<u>275,493</u>	<u>161,879</u>	<u>845,814</u>	<u>93,436</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$141,567</u>	<u>\$452,774</u>	<u>\$161,879</u>	<u>\$893,033</u>	<u>\$93,436</u>

Drug Abuse Resistance Education (DARE)	Miscellaneous Federal Grants	Access Visitation Grant	Delinquent Real Estate Tax and Assessment Collection	Tuberculosis Clinic	Youth Services	Block Grants
\$65,499	\$33,071	\$1,386	\$372,234	\$667,784	\$6,295	\$42,760
0	0	0	0	0	0	0
0	0	0	0	562,628	0	0
0	0	0	0	4,100	0	0
0	0	0	0	117,261	0	0
0	19,470	450	0	23,764	10,268	488,733
0	0	3,186	0	0	0	0
0	0	0	0	36,592	0	67
0	0	0	0	0	0	0
<u>\$65,499</u>	<u>\$52,541</u>	<u>\$5,022</u>	<u>\$372,234</u>	<u>\$1,412,129</u>	<u>\$16,563</u>	<u>\$531,560</u>
\$0	\$0	\$2,494	\$0	\$5,880	\$0	\$2,370
0	0	0	0	0	0	0
745	1,570	0	4,453	5,012	208	980
0	0	0	0	0	0	0
207	355	0	707	1,341	3,035	63,765
1,661	2,861	0	6,468	9,026	313	1,539
0	0	0	0	0	0	0
0	19,470	450	0	703,653	7,603	469,533
<u>2,613</u>	<u>24,256</u>	<u>2,944</u>	<u>11,628</u>	<u>724,912</u>	<u>11,159</u>	<u>538,187</u>
0	0	2,040	6,658	17,673	8,756	20,430
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>62,886</u>	<u>28,285</u>	<u>38</u>	<u>353,948</u>	<u>669,544</u>	<u>(3,352)</u>	<u>(27,057)</u>
<u>62,886</u>	<u>28,285</u>	<u>2,078</u>	<u>360,606</u>	<u>687,217</u>	<u>5,404</u>	<u>(6,627)</u>
<u>\$65,499</u>	<u>\$52,541</u>	<u>\$5,022</u>	<u>\$372,234</u>	<u>\$1,412,129</u>	<u>\$16,563</u>	<u>\$531,560</u>

(continued)

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2006

	Computer Legal Research	Community Correction	Home Detention (Electronic Monitor)	Ohio Childrens Trust	Marriage License
Assets					
Equity in Pooled Cash and Cash Equivalents	\$75,778	\$6,977	\$176,570	\$0	\$1,210
Restricted Cash and Cash Equivalents	0	0	0	0	0
Receivables:					
Property Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Accounts	18,141	0	7,293	0	0
Intergovernmental	0	107,555	14,895	13,833	0
Interfund	0	0	0	0	0
Materials and Supplies Inventory	0	0	1,409	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$93,919</u>	<u>\$114,532</u>	<u>\$200,167</u>	<u>\$13,833</u>	<u>\$1,210</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$1,210
Accrued Interest Payable	0	0	0	0	0
Accrued Wages and Benefits	0	2,942	1,636	0	0
Matured Compensated Absences Payable	0	0	0	0	0
Interfund Payable	0	0	410	0	0
Intergovernmental Payable	0	1,945	3,039	0	0
Notes Payable	0	0	0	0	0
Deferred Revenue	18,141	53,778	14,741	13,833	0
<i>Total Liabilities</i>	<u>18,141</u>	<u>58,665</u>	<u>19,826</u>	<u>13,833</u>	<u>1,210</u>
Fund Balances					
Reserved for Encumbrances	0	0	1,497	13,833	0
Reserved for Loan Guaranty	0	0	0	0	0
Reserved for Long - Term Contracts Payable	0	0	0	0	0
Unreserved:					
Undesignated (Deficit)	75,778	55,867	178,844	(13,833)	0
<i>Total Fund Balances (Deficit)</i>	<u>75,778</u>	<u>55,867</u>	<u>180,341</u>	<u>0</u>	<u>0</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$93,919</u>	<u>\$114,532</u>	<u>\$200,167</u>	<u>\$13,833</u>	<u>\$1,210</u>

Political Subdivision Housing	Indigent Drivers Alcohol Treatment	Probate Conduct of Business	Enforcement and Education	Law Enforcement	Legal Aid Society	Senior Citizens Levy
\$80,402	\$142,344	\$647	\$28,258	\$131,783	\$132	\$352,946
0	0	0	0	0	0	0
0	0	0	0	0	0	670,910
0	0	0	0	0	0	5,026
0	0	0	25	0	0	0
0	0	0	0	0	0	28,192
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$80,402</u>	<u>\$142,344</u>	<u>\$647</u>	<u>\$28,283</u>	<u>\$131,783</u>	<u>\$132</u>	<u>\$1,057,074</u>
\$0	\$2,250	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0	0
0	0	0	0	0	0	10,849
0	0	0	0	0	0	4,104
0	0	0	0	0	0	2,451
0	0	0	0	0	0	18,098
0	0	0	0	0	0	0
0	0	0	0	0	0	699,102
<u>0</u>	<u>2,250</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>734,604</u>
0	6,797	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>80,402</u>	<u>133,297</u>	<u>647</u>	<u>28,283</u>	<u>131,783</u>	<u>132</u>	<u>322,470</u>
<u>80,402</u>	<u>140,094</u>	<u>647</u>	<u>28,283</u>	<u>131,783</u>	<u>132</u>	<u>322,470</u>
<u>\$80,402</u>	<u>\$142,344</u>	<u>\$647</u>	<u>\$28,283</u>	<u>\$131,783</u>	<u>\$132</u>	<u>\$1,057,074</u>

(continued)

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2006

	Felony Delinquent Care and Custody	Drug Law Enforcement	Indigent Guardianship	Victim of Criminals	Sheriff Commissary
Assets					
Equity in Pooled Cash and Cash Equivalents	\$141,538	\$45,490	\$950	\$821	\$26,341
Restricted Cash and Cash Equivalents	0	0	0	0	0
Receivables:					
Property Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Accounts	0	0	0	0	260
Intergovernmental	6,879	0	0	32,061	0
Interfund	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	174	0	0	0
<i>Total Assets</i>	<u>\$148,417</u>	<u>\$45,664</u>	<u>\$950</u>	<u>\$32,882</u>	<u>\$26,601</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$0	\$31,053
Accrued Interest Payable	0	0	0	0	0
Accrued Wages and Benefits	1,587	0	0	822	0
Matured Compensated Absences Payable	0	0	0	0	0
Interfund Payable	775	0	0	0	0
Intergovernmental Payable	4,654	0	0	126	0
Notes Payable	0	0	0	0	0
Deferred Revenue	0	0	0	21,374	0
<i>Total Liabilities</i>	<u>7,016</u>	<u>0</u>	<u>0</u>	<u>22,322</u>	<u>31,053</u>
Fund Balances					
Reserved for Encumbrances	0	0	414	0	3,132
Reserved for Loan Guaranty	0	0	0	0	0
Reserved for Long - Term Contracts Payable	0	0	0	0	0
Unreserved:					
Undesignated (Deficit)	141,401	45,664	536	10,560	(7,584)
<i>Total Fund Balances (Deficit)</i>	<u>141,401</u>	<u>45,664</u>	<u>950</u>	<u>10,560</u>	<u>(4,452)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$148,417</u>	<u>\$45,664</u>	<u>\$950</u>	<u>\$32,882</u>	<u>\$26,601</u>

Children Services Christmas	Mental Health Levy	Certificate of Title Administration	Sheriff Levy	Court Special Projects	Transportation Improvement District (TID) Escrow
\$67,476	\$35,179	\$824,924	\$371,485	\$366,245	\$754
0	0	0	0	0	925,000
0	1,111,825	0	448,052	0	0
0	9,496	0	4,549	0	0
0	0	21,996	0	0	0
0	44,958	0	16,847	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$67,476</u>	<u>\$1,201,458</u>	<u>\$846,920</u>	<u>\$840,933</u>	<u>\$366,245</u>	<u>\$925,754</u>
\$3,671	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	0
0	0	5,337	7,551	0	0
0	0	6,301	0	0	0
0	0	648	1,810	15	0
0	0	5,272	13,996	66	0
0	0	0	0	0	0
0	1,156,783	0	464,899	0	0
<u>3,671</u>	<u>1,156,783</u>	<u>17,558</u>	<u>488,256</u>	<u>81</u>	<u>0</u>
1,094	0	6,100	0	3,315	0
0	0	0	0	0	925,000
0	0	0	0	0	0
<u>62,711</u>	<u>44,675</u>	<u>823,262</u>	<u>352,677</u>	<u>362,849</u>	<u>754</u>
<u>63,805</u>	<u>44,675</u>	<u>829,362</u>	<u>352,677</u>	<u>366,164</u>	<u>925,754</u>
<u>\$67,476</u>	<u>\$1,201,458</u>	<u>\$846,920</u>	<u>\$840,933</u>	<u>\$366,245</u>	<u>\$925,754</u>

(continued)

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2006

	Juvenile Detention	Concealed Weapon	Wireless 911	Brandywine Loop Extension	Total Nonmajor Special Revenue Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$65,766	\$13,174	\$92,155	\$46,424	\$5,615,563
Restricted Cash and Cash Equivalents	0	0	0	493,363	1,418,363
Receivables:					
Property Taxes	0	0	0	0	2,793,415
Payments in Lieu of Taxes	0	0	0	95,125	211,732
Accounts	0	0	0	0	165,480
Intergovernmental	0	0	16,889	0	847,245
Interfund	0	0	0	0	291,154
Materials and Supplies Inventory	30,630	0	0	0	72,759
Prepaid Items	0	0	0	0	3,678
Total Assets	\$96,396	\$13,174	\$109,044	\$634,912	\$11,419,389
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$19,224	\$0	\$103,421
Accrued Interest Payable	0	0	0	10,816	10,816
Accrued Wages and Benefits	0	0	0	0	93,813
Matured Compensated Absences Payable	0	0	0	0	10,405
Interfund Payable	0	0	0	10,590	141,503
Intergovernmental Payable	0	0	0	0	157,882
Notes Payable	0	0	0	1,000,000	1,000,000
Deferred Revenue	0	0	16,889	0	3,660,249
Total Liabilities	0	0	36,113	1,021,406	5,178,089
Fund Balance					
Reserved for Encumbrances	0	0	0	0	253,527
Reserved for Loan Guaranty	0	0	0	0	925,000
Reserved for Long - Term Contracts Payable	0	0	0	0	93,436
Unreserved:					
Undesignated (Deficit)	96,396	13,174	72,931	(386,494)	4,969,337
Total Fund Balances (Deficit)	96,396	13,174	72,931	(386,494)	6,241,300
Total Liabilities and Fund Balances	\$96,396	\$13,174	\$109,044	\$634,912	\$11,419,389

Muskingum County, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2006

	Dog and Kennel	Child Support Enforcement Agency	Childrens' Services Trust	Real Estate Assessment
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	33,876	280,107	0	636,598
Licenses and Permits	124,547	0	0	0
Fines and Forfeitures	4,639	0	0	1,680
Intergovernmental	0	2,889,761	0	0
Interest	0	0	7,957	0
Payments in Lieu of Taxes	0	0	0	0
Contributions and Donations	0	0	64	0
Other	0	46,654	0	5
<i>Total Revenues</i>	<u>163,062</u>	<u>3,216,522</u>	<u>8,021</u>	<u>638,283</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	767,089
Judicial	0	0	0	0
Public Safety	0	0	0	0
Public Works	0	0	0	0
Health	132,614	0	0	0
Human Services	0	4,041,608	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	1,663	0	0
Interest and Fiscal Charges	0	258	0	0
<i>Total Expenditures</i>	<u>132,614</u>	<u>4,043,529</u>	<u>0</u>	<u>767,089</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>30,448</u>	<u>(827,007)</u>	<u>8,021</u>	<u>(128,806)</u>
Other Financing Source (Use)				
Transfers In	32,768	1,096,683	497	0
Transfers Out	0	0	0	0
<i>Total Other Financing Source (Use)</i>	<u>32,768</u>	<u>1,096,683</u>	<u>497</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	63,216	269,676	8,518	(128,806)
Fund Balances (Deficit) at Beginning of Year	<u>73,249</u>	<u>5,817</u>	<u>153,361</u>	<u>974,620</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$136,465</u></u>	<u><u>\$275,493</u></u>	<u><u>\$161,879</u></u>	<u><u>\$845,814</u></u>

(continued)

Muskingum County, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2006

	Redevelopment Tax Equivalent	Drug Abuse Resistance Education (DARE)	Miscellaneous Federal Grants	Access Visitation Grant
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	0	0	7,842
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	14,981	423,693	25,525
Interest	0	0	0	0
Payments in Lieu of Taxes	93,437	0	0	0
Contributions and Donations	0	4,376	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>93,437</u>	<u>19,357</u>	<u>423,693</u>	<u>33,367</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	33,022
Public Safety	0	66,078	225,653	0
Public Works	0	0	281,088	0
Health	0	0	0	0
Human Services	0	0	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>66,078</u>	<u>506,741</u>	<u>33,022</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>93,437</u>	<u>(46,721)</u>	<u>(83,048)</u>	<u>345</u>
Other Financing Source (Use)				
Transfers In	0	89,500	8,000	0
Transfers Out	(403,839)	0	(50,608)	0
<i>Total Other Financing Source (Use)</i>	<u>(403,839)</u>	<u>89,500</u>	<u>(42,608)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(310,402)	42,779	(125,656)	345
Fund Balances (Deficit) at Beginning of Year	<u>403,838</u>	<u>20,107</u>	<u>153,941</u>	<u>1,733</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$93,436</u></u>	<u><u>\$62,886</u></u>	<u><u>\$28,285</u></u>	<u><u>\$2,078</u></u>

Delinquent Real Estate Tax and Assessment Collection	Homeland Security	Tuberculosis Clinic	Youth Services	Block Grants	Computer Legal Research
\$0	\$0	\$496,731	\$0	\$0	\$0
175,804	0	6,249	0	0	18,219
0	0	0	0	0	0
0	0	0	0	0	0
0	0	244,184	66,035	657,547	0
0	0	0	0	0	0
0	0	4,131	0	0	0
0	0	0	0	0	0
0	30	4,746	0	5,000	0
<u>175,804</u>	<u>30</u>	<u>756,041</u>	<u>66,035</u>	<u>662,547</u>	<u>18,219</u>
202,091	0	0	0	0	0
0	0	0	0	0	5,106
0	82,212	0	75,281	0	0
0	0	0	0	725,730	0
0	0	567,387	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>202,091</u>	<u>82,212</u>	<u>567,387</u>	<u>75,281</u>	<u>725,730</u>	<u>5,106</u>
<u>(26,287)</u>	<u>(82,182)</u>	<u>188,654</u>	<u>(9,246)</u>	<u>(63,183)</u>	<u>13,113</u>
0	0	0	5,147	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>5,147</u>	<u>0</u>	<u>0</u>
(26,287)	(82,182)	188,654	(4,099)	(63,183)	13,113
<u>386,893</u>	<u>82,182</u>	<u>498,563</u>	<u>9,503</u>	<u>56,556</u>	<u>62,665</u>
<u>\$360,606</u>	<u>\$0</u>	<u>\$687,217</u>	<u>\$5,404</u>	<u>(\$6,627)</u>	<u>\$75,778</u>

(continued)

Muskingum County, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2006

	Community Correction	Home Detention (Electronic Monitor)	Litter Prevention	Ohio Childrens Trust
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	0	47,128	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	215,110	29,790	11,155	27,665
Interest	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>215,110</u>	<u>76,918</u>	<u>11,155</u>	<u>27,665</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	223,217	144,654	0	0
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	0	0	27,665
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>223,217</u>	<u>144,654</u>	<u>0</u>	<u>27,665</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(8,107)</u>	<u>(67,736)</u>	<u>11,155</u>	<u>0</u>
Other Financing Source (Use)				
Transfers In	0	62,292	629	0
Transfers Out	0	0	(10,984)	0
<i>Total Other Financing Source (Use)</i>	<u>0</u>	<u>62,292</u>	<u>(10,355)</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(8,107)	(5,444)	800	0
Fund Balances (Deficit) at Beginning of Year	<u>63,974</u>	<u>185,785</u>	<u>(800)</u>	<u>0</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$55,867</u></u>	<u><u>\$180,341</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

<u>Marriage License</u>	<u>Political Subdivision Housing</u>	<u>Indigent Drivers Alcohol Treatment</u>	<u>Probate Conduct of Business</u>	<u>Enforcement and Education</u>	<u>Law Enforcement</u>
\$0	\$0	\$0	\$0	\$0	\$0
0	0	0	597	0	0
21,908	0	0	0	0	0
0	31,694	26,247	0	3,661	42,361
0	0	373	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	3,700
0	0	0	0	0	29,228
<u>21,908</u>	<u>31,694</u>	<u>26,620</u>	<u>597</u>	<u>3,661</u>	<u>75,289</u>
0	0	0	0	0	0
0	0	0	7,219	0	0
0	35,256	0	0	8,942	64,813
0	0	0	0	0	0
21,908	0	0	0	0	0
0	0	24,516	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>21,908</u>	<u>35,256</u>	<u>24,516</u>	<u>7,219</u>	<u>8,942</u>	<u>64,813</u>
<u>0</u>	<u>(3,562)</u>	<u>2,104</u>	<u>(6,622)</u>	<u>(5,281)</u>	<u>10,476</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	(3,562)	2,104	(6,622)	(5,281)	10,476
0	83,964	137,990	7,269	33,564	121,307
<u>\$0</u>	<u>\$80,402</u>	<u>\$140,094</u>	<u>\$647</u>	<u>\$28,283</u>	<u>\$131,783</u>

(continued)

Muskingum County, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2006

	Legal Aid Society	Senior Citizens Levy	Felony Delinquent Care and Custody	Drug Law Enforcement
Revenues				
Property Taxes	\$0	\$593,045	\$0	\$0
Charges for Services	102	0	0	0
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	8,440
Intergovernmental	0	93,617	161,402	0
Interest	0	0	0	0
Payments in Lieu of Taxes	0	5,041	0	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>102</u>	<u>691,703</u>	<u>161,402</u>	<u>8,440</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	0
Public Safety	0	0	142,618	14,383
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	648,041	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>0</u>	<u>648,041</u>	<u>142,618</u>	<u>14,383</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>102</u>	<u>43,662</u>	<u>18,784</u>	<u>(5,943)</u>
Other Financing Source (Use)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Source (Use)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	102	43,662	18,784	(5,943)
Fund Balances (Deficit) at Beginning of Year	<u>30</u>	<u>278,808</u>	<u>122,617</u>	<u>51,607</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$132</u>	<u>\$322,470</u>	<u>\$141,401</u>	<u>\$45,664</u>

<u>Indigent Guardianship</u>	<u>Victim of Criminals</u>	<u>Sheriff Commissary</u>	<u>Children Services Christmas</u>	<u>Mental Health Levy</u>	<u>Certificate of Title Administration</u>	<u>Sheriff Levy</u>
\$0	\$0	\$0	\$0	\$986,939	\$0	\$399,610
11,996	0	246,694	0	0	0	0
0	0	0	0	0	311,489	0
0	0	0	0	0	0	0
0	44,234	0	0	229,259	0	71,325
0	0	0	0	0	2,701	0
0	0	0	0	9,393	0	4,450
0	0	0	8,988	0	0	2,520
0	0	0	0	0	0	0
<u>11,996</u>	<u>44,234</u>	<u>246,694</u>	<u>8,988</u>	<u>1,225,591</u>	<u>314,190</u>	<u>477,905</u>
0	0	0	0	0	205,985	0
0	0	0	0	0	0	0
0	42,388	259,204	0	0	0	504,612
0	0	0	0	0	0	0
0	0	0	0	0	0	0
12,086	0	0	5,262	0	0	0
0	0	0	0	1,230,339	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>12,086</u>	<u>42,388</u>	<u>259,204</u>	<u>5,262</u>	<u>1,230,339</u>	<u>205,985</u>	<u>504,612</u>
<u>(90)</u>	<u>1,846</u>	<u>(12,510)</u>	<u>3,726</u>	<u>(4,748)</u>	<u>108,205</u>	<u>(26,707)</u>
0	0	0	0	0	0	0
0	0	0	0	0	(145,000)	0
0	0	0	0	0	(145,000)	0
(90)	1,846	(12,510)	3,726	(4,748)	(36,795)	(26,707)
<u>1,040</u>	<u>8,714</u>	<u>8,058</u>	<u>60,079</u>	<u>49,423</u>	<u>866,157</u>	<u>379,384</u>
<u>\$950</u>	<u>\$10,560</u>	<u>(\$4,452)</u>	<u>\$63,805</u>	<u>\$44,675</u>	<u>\$829,362</u>	<u>\$352,677</u>

(continued)

Muskingum County, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds (Continued)
For the Year Ended December 31, 2006

	Court Special Projects	Transportation Improvement District (TID) Escrow	Juvenile Detention	Concealed Weapon
Revenues				
Property Taxes	\$0	\$0	\$0	\$0
Charges for Services	109,403	0	0	0
Licenses and Permits	0	0	0	3,963
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Contributions and Donations	0	0	0	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>109,403</u>	<u>0</u>	<u>0</u>	<u>3,963</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	3,662	0	11,660	0
Public Safety	0	0	0	1,484
Public Works	0	1,611,196	0	0
Health	0	0	0	0
Human Services	0	0	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>3,662</u>	<u>1,611,196</u>	<u>11,660</u>	<u>1,484</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>105,741</u>	<u>(1,611,196)</u>	<u>(11,660)</u>	<u>2,479</u>
Other Financing Source (Use)				
Transfers In	0	1,611,950	0	0
Transfers Out	0	0	0	0
<i>Total Other Financing Source (Use)</i>	<u>0</u>	<u>1,611,950</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	105,741	754	(11,660)	2,479
Fund Balances (Deficit) at				
Beginning of Year	<u>260,423</u>	<u>925,000</u>	<u>108,056</u>	<u>10,695</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$366,164</u>	<u>\$925,754</u>	<u>\$96,396</u>	<u>\$13,174</u>

Wireless 911	Brandywine Loop Extension	Total Nonmajor Special Revenue Funds
\$0	\$0	\$2,476,325
0	0	1,574,615
0	0	461,907
0	0	118,722
166,070	0	5,371,726
0	4,800	15,458
0	95,125	211,577
0	0	19,648
0	0	85,663
<u>166,070</u>	<u>99,925</u>	<u>10,335,641</u>
0	0	1,175,165
0	0	60,669
93,139	0	1,983,934
0	28,698	2,646,712
0	0	721,909
0	0	4,759,178
0	524,369	1,754,708
0	0	1,663
0	15,616	15,874
<u>93,139</u>	<u>568,683</u>	<u>13,119,812</u>
<u>72,931</u>	<u>(468,758)</u>	<u>(2,784,171)</u>
0	0	2,907,466
<u>0</u>	<u>0</u>	<u>(610,431)</u>
<u>0</u>	<u>0</u>	<u>2,297,035</u>
72,931	(468,758)	(487,136)
<u>0</u>	<u>82,264</u>	<u>6,728,436</u>
<u>\$72,931</u>	<u>(\$386,494)</u>	<u>\$6,241,300</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Dog and Kennel Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$25,370	\$33,876	\$8,506
Licenses and Permits	80,000	124,547	44,547
Fines and Forfeitures	3,000	4,639	1,639
<i>Total Revenues</i>	<u>108,370</u>	<u>163,062</u>	<u>54,692</u>
Expenditures			
Current:			
Health			
Animal Control			
Salaries and Wages	83,250	79,530	3,720
Fringe Benefits	33,638	30,399	3,239
Materials and Supplies	7,551	5,965	1,586
Contractual Services	22,653	3,231	19,422
Capital Outlay	5,000	0	5,000
Other	16,652	16,540	112
<i>Total Expenditures</i>	<u>168,744</u>	<u>135,665</u>	<u>33,079</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(60,374)</u>	<u>27,397</u>	<u>87,771</u>
Other Financing Sources			
Advances In	0	421	421
Transfers In	58,058	32,768	(25,290)
<i>Total Other Financing Sources</i>	<u>58,058</u>	<u>33,189</u>	<u>(24,869)</u>
<i>Net Change in Fund Balance</i>	(2,316)	60,586	62,902
Fund Balance at Beginning of Year	76,873	76,873	0
Prior Year Encumbrances Appropriated	1,805	1,805	0
<i>Fund Balance at End of Year</i>	<u>\$76,362</u>	<u>\$139,264</u>	<u>\$62,902</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Child Support Enforcement Agency Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$257,000	\$305,051	\$48,051
Intergovernmental	4,005,000	2,867,310	(1,137,690)
Other	259,000	46,654	(212,346)
<i>Total Revenues</i>	<u>4,521,000</u>	<u>3,219,015</u>	<u>(1,301,985)</u>
Expenditures			
Current:			
Human Services			
Child Support Enforcement			
Salaries and Wages	1,865,000	1,835,409	29,591
Fringe Benefits	884,267	830,062	54,205
Materials and Supplies	56,539	54,589	1,950
Contractual Services	1,906,830	1,773,999	132,831
Capital Outlay	37,455	19,056	18,399
Other	116,991	78,093	38,898
<i>Total Human Services</i>	<u>4,867,082</u>	<u>4,591,208</u>	<u>275,874</u>
Debt Service:			
Principal Retirement	1,663	1,663	0
Interest and Fiscal Charges	258	258	0
<i>Total Debt Service</i>	<u>1,921</u>	<u>1,921</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,869,003</u>	<u>4,593,129</u>	<u>275,874</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(348,003)</u>	<u>(1,374,114)</u>	<u>(1,026,111)</u>
Other Financing Sources			
Advances In	0	9,370	9,370
Transfers In	600,000	808,715	208,715
<i>Total Other Financing Sources</i>	<u>600,000</u>	<u>818,085</u>	<u>218,085</u>
<i>Net Change in Fund Balance</i>	251,997	(556,029)	(808,026)
Fund Balance at Beginning of Year	348,183	348,183	0
Prior Year Encumbrances Appropriated	139,199	139,199	0
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>\$739,379</u></u>	<u><u>(\$68,647)</u></u>	<u><u>(\$808,026)</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Childrens' Services Trust Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$0	\$7,784	\$7,784
Contributions and Donations	0	64	64
<i>Total Revenues</i>	0	7,848	7,848
Expenditures			
Current:			
Human Services			
Childrens' Services Trust Fund			
Materials and Supplies	152,807	0	152,807
<i>Excess of Revenues Over (Under) Expenditures</i>	(152,807)	7,848	(160,655)
Other Financing Source			
Advances In	497	497	0
<i>Net Change in Fund Balance</i>	(152,310)	8,345	160,655
Fund Balance at Beginning of Year	152,807	152,807	0
<i>Fund Balance at End of Year</i>	\$497	\$161,152	\$160,655

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Real Estate Assessment Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$605,800	\$636,598	\$30,798
Fines and Forfeitures	500	1,680	1,180
Other	5	5	0
<i>Total Revenues</i>	<u>606,305</u>	<u>638,283</u>	<u>31,978</u>
Expenditures			
Current:			
General Government - Legislative and Executive			
County Auditor			
Salaries and Wages	215,000	214,907	93
Fringe Benefits	76,294	76,626	(332)
Materials and Supplies	4,694	4,617	77
Contractual Services	506,710	506,280	430
Other	26,985	26,767	218
<i>Total Expenditures</i>	<u>829,683</u>	<u>829,197</u>	<u>486</u>
<i>Excess of Revenues Under Expenditures</i>	(223,378)	(190,914)	32,464
Other Financing Source			
Advances In	<u>0</u>	<u>1,134</u>	<u>1,134</u>
<i>Net Change in Fund Balance</i>	(223,378)	(189,780)	33,598
Fund Balance at Beginning of Year	815,911	815,911	0
Prior Year Encumbrances Appropriated	<u>235,187</u>	<u>235,187</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$827,720</u></u>	<u><u>\$861,318</u></u>	<u><u>\$33,598</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Redevelopment Tax Equivalent Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Payments in Lieu of Taxes	\$203,000	\$200,449	(\$2,551)
Expenditures			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	203,000	200,449	(2,551)
Other Financing Use			
Transfers Out	<u>(403,839)</u>	<u>(403,839)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(200,839)	(203,390)	(2,551)
Fund Balance at Beginning of Year	<u>203,390</u>	<u>203,390</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$2,551</u></u>	<u><u>\$0</u></u>	<u><u>(\$2,551)</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Abuse Resistance Education (DARE) Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$14,981	\$14,981	\$0
Contributions and Donations	4,376	4,376	0
<i>Total Revenues</i>	<u>19,357</u>	<u>19,357</u>	<u>0</u>
Expenditures			
Current:			
Public Safety			
Drug Law Enforcement			
Salaries and Wages	40,600	39,053	1,547
Fringe Benefits	21,200	19,130	2,070
Materials and Supplies	7,200	5,783	1,417
<i>Total Expenditures</i>	<u>69,000</u>	<u>63,966</u>	<u>5,034</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(49,643)</u>	<u>(44,609)</u>	<u>5,034</u>
Other Financing Sources			
Advances In	0	207	207
Transfers In	89,500	89,500	0
<i>Total Other Financing Sources</i>	<u>89,500</u>	<u>89,707</u>	<u>207</u>
<i>Net Change in Fund Balance</i>	39,857	45,098	5,241
Fund Balance at Beginning of Year	<u>20,401</u>	<u>20,401</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$60,258</u></u>	<u><u>\$65,499</u></u>	<u><u>\$5,241</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Federal Grants Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$423,693	\$423,693	\$0
Expenditures			
Current:			
Public Safety			
Miscellaneous Federal Grants			
Salaries and Wages	95,267	93,256	2,011
Fringe Benefits	51,532	49,910	1,622
Contractual Services	24,418	23,918	500
Capital Outlay	78,294	60,807	17,487
<i>Total Public Safety</i>	249,511	227,891	21,620
Public Works			
Miscellaneous Federal Grants			
Contractual Services	281,088	281,088	0
<i>Total Expenditures</i>	530,599	508,979	21,620
<i>Excess of Revenues Under Expenditures</i>	(106,906)	(85,286)	21,620
Other Financing Sources (Use)			
Advances In	0	355	355
Transfers In	8,000	8,000	0
Transfers Out	(50,608)	(50,608)	0
<i>Total Other Financing Sources (Use)</i>	(42,608)	(42,253)	355
<i>Net Change in Fund Balance</i>	(149,514)	(127,539)	21,975
Fund Balance at Beginning of Year	160,610	160,610	0
<i>Fund Balance at End of Year</i>	\$11,096	\$33,071	\$21,975

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Access Visitation Grant Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$3,280	\$4,656	\$1,376
Intergovernmental	33,596	27,248	(6,348)
<i>Total Revenues</i>	36,876	31,904	(4,972)
Expenditures			
Current:			
General Government - Judicial			
Domestic Relations Court			
Contractual Services	36,876	34,042	2,834
<i>Net Change in Fund Balance</i>	0	(2,138)	(2,138)
Fund Balance at Beginning of Year	(1,790)	(1,790)	0
Prior Year Encumbrances Appropriated	1,800	1,800	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$10</u>	<u>(\$2,128)</u>	<u>(\$2,138)</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Delinquent Real Estate Tax and Assessment Collection Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$213,700	\$175,804	(\$37,896)
Expenditures			
Current:			
General Government - Legislative and Executive			
DRETAC			
Salaries and Wages	248,700	152,012	96,688
Fringe Benefits	43,000	25,431	17,569
Materials and Supplies	2,000	0	2,000
Capital Outlay	5,000	2,952	2,048
Other	222,980	23,823	199,157
<i>Total Expenditures</i>	521,680	204,218	317,462
<i>Excess of Revenues Under Expenditures</i>	(307,980)	(28,414)	279,566
Other Financing Source			
Advances In	0	707	707
<i>Net Change in Fund Balance</i>	(307,980)	(27,707)	280,273
Fund Balance at Beginning of Year	387,293	387,293	0
Prior Year Encumbrances Appropriated	5,990	5,990	0
<i>Fund Balance at End of Year</i>	<u>\$85,303</u>	<u>\$365,576</u>	<u>\$280,273</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Homeland Security Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$507,870	\$0	(\$507,870)
Other	30	30	0
<i>Total Revenues</i>	<u>507,900</u>	<u>30</u>	<u>(507,870)</u>
Expenditures			
Current:			
Public Safety			
Homeland Security			
Salaries and Wages	6,677	3,849	2,828
Fringe Benefits	1,073	583	490
Capital Outlay	186,500	77,990	108,510
<i>Total Expenditures</i>	<u>194,250</u>	<u>82,422</u>	<u>111,828</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	313,650	(82,392)	(396,042)
Other Financing Use			
Advances Out	0	(24,409)	(24,409)
<i>Net Change in Fund Balance</i>	313,650	(106,801)	(420,451)
Fund Balance at Beginning of Year	106,605	106,605	0
Prior Year Encumbrances Appropriated	196	196	0
<i>Fund Balance at End of Year</i>	<u><u>\$420,451</u></u>	<u><u>\$0</u></u>	<u><u>(\$420,451)</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Tuberculosis Clinic Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$495,288	\$498,359	\$3,071
Charges for Services	5,000	6,249	1,249
Intergovernmental	147,295	243,781	96,486
Payments in Lieu of Taxes	3,070	4,350	1,280
Other	63,000	4,746	(58,254)
<i>Total Revenues</i>	<u>713,653</u>	<u>757,485</u>	<u>43,832</u>
Expenditures			
Current:			
Health			
Tuberculosis Clinic			
Salaries and Wages	233,500	172,778	60,722
Fringe Benefits	87,882	77,687	10,195
Materials and Supplies	278,933	246,021	32,912
Contractual Services	100,700	79,986	20,714
Capital Outlay	35,911	30,745	5,166
Other	6,691	5,327	1,364
<i>Total Expenditures</i>	<u>743,617</u>	<u>612,544</u>	<u>131,073</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(29,964)	144,941	174,905
Other Financing Source			
Advances In	0	1,341	1,341
<i>Net Change in Fund Balance</i>	(29,964)	146,282	176,246
Fund Balance at Beginning of Year	443,820	443,820	0
Prior Year Encumbrances Appropriated	40,921	40,921	0
<i>Fund Balance at End of Year</i>	<u>\$454,777</u>	<u>\$631,023</u>	<u>\$176,246</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Youth Services Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$104,237	\$64,210	(\$40,027)
Expenditures			
Current:			
Public Safety			
Youth Services			
Salaries and Wages	69,527	67,449	2,078
Fringe Benefits	11,638	11,048	590
Contractual Services	14,558	14,153	405
<i>Total Expenditures</i>	95,723	92,650	3,073
<i>Excess of Revenues Over (Under) Expenditures</i>	8,514	(28,440)	(36,954)
Other Financing Sources (Use)			
Advances In	0	3,035	3,035
Transfers In	3,064	5,147	2,083
Advances Out	0	(6,000)	(6,000)
<i>Total Other Financing Sources (Use)</i>	3,064	2,182	(882)
<i>Net Change in Fund Balance</i>	11,578	(26,258)	(37,836)
Fund Balance at Beginning of Year	9,839	9,839	0
Prior Year Encumbrances Appropriated	13,958	13,958	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$35,375</u>	<u>(\$2,461)</u>	<u>(\$37,836)</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Block Grants Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$1,139,516	\$728,349	(\$411,167)
Other	62,000	5,000	(57,000)
<i>Total Revenues</i>	<u>1,201,516</u>	<u>733,349</u>	<u>(468,167)</u>
Expenditures			
Current:			
Public Works			
Block Grants			
Salaries and Wages	15,500	12,129	3,371
Fringe Benefits	20,969	16,193	4,776
Materials and Supplies	6,873	6,632	241
Contractual Services	930,445	707,551	222,894
<i>Total Expenditures</i>	<u>973,787</u>	<u>742,505</u>	<u>231,282</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>227,729</u>	<u>(9,156)</u>	<u>(236,885)</u>
Other Financing Source (Use)			
Advances In	0	63,765	63,765
Advances Out	0	(69,229)	(69,229)
<i>Total Other Financing Source (Use)</i>	<u>0</u>	<u>(5,464)</u>	<u>(5,464)</u>
<i>Net Change in Fund Balance</i>	227,729	(14,620)	(242,349)
Fund Balance at Beginning of Year	36,507	36,507	0
Prior Year Encumbrances Appropriated	443	443	0
<i>Fund Balance at End of Year</i>	<u>\$264,679</u>	<u>\$22,330</u>	<u>(\$242,349)</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Computer Legal Research Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$20,950	\$17,384	(\$3,566)
Expenditures			
Current:			
General Government - Judicial			
Computer Legal Research			
Contractual Services	15,500	5,106	10,394
Other	2,000	0	2,000
<i>Total Expenditures</i>	17,500	5,106	12,394
<i>Net Change in Fund Balance</i>	3,450	12,278	8,828
Fund Balance at Beginning of Year	61,953	61,953	0
<i>Fund Balance at End of Year</i>	\$65,403	\$74,231	\$8,828

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Correction Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$215,110	\$215,110	\$0
Expenditures			
Current:			
Public Safety			
Community Correction			
Salaries and Wages	179,153	172,176	6,977
Fringe Benefits	37,963	37,963	0
Contractual Services	14,393	14,393	0
<i>Total Expenditures</i>	231,509	224,532	6,977
<i>Net Change in Fund Balance</i>	(16,399)	(9,422)	6,977
Fund Balance at Beginning of Year	16,399	16,399	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$6,977</u>	<u>\$6,977</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Home Detention (Electronic Monitor) Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$42,500	\$47,540	\$5,040
Intergovernmental	44,684	29,790	(14,894)
<i>Total Revenues</i>	<u>87,184</u>	<u>77,330</u>	<u>(9,854)</u>
Expenditures			
Current:			
Public Safety			
Electronic Monitor			
Salaries and Wages	87,013	77,640	9,373
Fringe Benefits	22,783	12,635	10,148
Materials and Supplies	22,076	18,257	3,819
Contractual Services	34,255	34,255	0
Capital Outlay	6,148	2,463	3,685
<i>Total Expenditures</i>	<u>172,275</u>	<u>145,250</u>	<u>27,025</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(85,091)</u>	<u>(67,920)</u>	<u>17,171</u>
Other Financing Sources			
Advances In	0	410	410
Transfers In	62,292	62,292	0
<i>Total Other Financing Sources</i>	<u>62,292</u>	<u>62,702</u>	<u>410</u>
<i>Net Change in Fund Balance</i>	(22,799)	(5,218)	17,581
Fund Balance at Beginning of Year	170,862	170,862	0
Prior Year Encumbrances Appropriated	4,415	4,415	0
<i>Fund Balance at End of Year</i>	<u><u>\$152,478</u></u>	<u><u>\$170,059</u></u>	<u><u>\$17,581</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Litter Prevention Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$0	\$10,691	\$10,691
Expenditures			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	<u>0</u>	<u>10,691</u>	<u>10,691</u>
Other Financing Uses			
Advances Out	0	(10,691)	(10,691)
Transfers Out	<u>(10,984)</u>	<u>(10,984)</u>	<u>0</u>
<i>Total Other Financing Uses</i>	<u>(10,984)</u>	<u>(21,675)</u>	<u>(10,691)</u>
<i>Net Change in Fund Balance</i>	(10,984)	(10,984)	0
Fund Balance at Beginning of Year	<u>10,984</u>	<u>10,984</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ohio Childrens Trust Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$96,828	\$27,665	(\$69,163)
Expenditures			
Current:			
Human Services			
Ohio Childrens Trust			
Contractual Services	96,828	41,498	55,330
<i>Net Change in Fund Balance</i>	0	(13,833)	(13,833)
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$0</u>	<u>(\$13,833)</u>	<u>(\$13,833)</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Marriage License Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$24,000	\$22,931	(\$1,069)
Expenditures			
Current:			
Health			
Marriage License			
Contractual Services	24,000	22,931	1,069
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Political Subdivision Housing Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$31,694	\$31,694	\$0
Expenditures			
Current:			
Public Safety			
Political Subdivision Housing			
Contractual Services	50,000	35,256	14,744
<i>Net Change in Fund Balance</i>	(18,306)	(3,562)	14,744
Fund Balance at Beginning of Year	83,964	83,964	0
<i>Fund Balance at End of Year</i>	\$65,658	\$80,402	\$14,744

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$20,000	\$26,247	\$6,247
Intergovernmental	250	373	123
<i>Total Revenues</i>	20,250	26,620	6,370
Expenditures			
Current:			
Human Services			
Indigent Drivers Alcohol Treatment			
Contractual Services	59,732	31,313	28,419
<i>Net Change in Fund Balance</i>	(39,482)	(4,693)	34,789
Fund Balance at Beginning of Year	121,758	121,758	0
Prior Year Encumbrances Appropriated	16,232	16,232	0
<i>Fund Balance at End of Year</i>	<u>\$98,508</u>	<u>\$133,297</u>	<u>\$34,789</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Probate Conduct of Business Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$700	\$599	(\$101)
Expenditures			
Current:			
General Government - Judicial			
Probate Conduct of Business			
Other	7,412	7,219	193
<i>Net Change in Fund Balance</i>	(6,712)	(6,620)	92
Fund Balance at Beginning of Year	6,816	6,816	0
Prior Year Encumbrances Appropriated	412	412	0
<i>Fund Balance at End of Year</i>	<u>\$516</u>	<u>\$608</u>	<u>\$92</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Enforcement and Education Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$3,636	\$3,636	\$0
Expenditures			
Current:			
Public Safety			
Enforcement and Education			
Capital Outlay	12,000	2,045	9,955
Other	12,000	6,897	5,103
<i>Total Expenditures</i>	24,000	8,942	15,058
<i>Net Change in Fund Balance</i>	(20,364)	(5,306)	15,058
Fund Balance at Beginning of Year	33,564	33,564	0
<i>Fund Balance at End of Year</i>	<u>\$13,200</u>	<u>\$28,258</u>	<u>\$15,058</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Law Enforcement Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$5,000	\$42,361	\$37,361
Contributions and Donations	3,700	3,700	0
Other	29,228	29,228	0
<i>Total Revenues</i>	<u>37,928</u>	<u>75,289</u>	<u>37,361</u>
Expenditures			
Current:			
Public Safety			
Law Enforcement			
Materials and Supplies	10,000	0	10,000
Contractual Services	56,928	10,588	46,340
Capital Outlay	58,806	39,401	19,405
Other	28,521	15,824	12,697
<i>Total Expenditures</i>	<u>154,255</u>	<u>65,813</u>	<u>88,442</u>
<i>Net Change in Fund Balance</i>	(116,327)	9,476	125,803
Fund Balance at Beginning of Year	120,285	120,285	0
Prior Year Encumbrances Appropriated	2,022	2,022	0
<i>Fund Balance at End of Year</i>	<u><u>\$5,980</u></u>	<u><u>\$131,783</u></u>	<u><u>\$125,803</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Legal Aid Society Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$0	\$101	\$101
Expenditures			
<i>Total Expenditures</i>	0	0	0
<i>Net Change in Fund Balance</i>	0	101	101
Fund Balance at Beginning of Year	22	22	0
<i>Fund Balance at End of Year</i>	\$22	\$123	\$101

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Senior Citizens Levy Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$577,564	\$595,080	\$17,516
Intergovernmental	70,169	93,617	23,448
Payments in Lieu of Taxes	300	5,331	5,031
<i>Total Revenues</i>	<u>648,033</u>	<u>694,028</u>	<u>45,995</u>
Expenditures			
Current:			
Human Services			
Senior Citizens Levy			
Salaries and Wages	464,480	463,311	1,169
Fringe Benefits	161,809	163,643	(1,834)
Other	7,728	7,728	0
<i>Total Expenditures</i>	<u>634,017</u>	<u>634,682</u>	<u>(665)</u>
<i>Excess of Revenues Over Expenditures</i>	14,016	59,346	45,330
Other Financing Source			
Advances In	0	2,451	2,451
<i>Net Change in Fund Balance</i>	14,016	61,797	47,781
Fund Balance at Beginning of Year	<u>273,559</u>	<u>273,559</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$287,575</u></u>	<u><u>\$335,356</u></u>	<u><u>\$47,781</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Felony Delinquent Care and Custody Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$141,560	\$154,523	\$12,963
Expenditures			
Current:			
Public Safety			
Specialized Probation			
Salaries and Wages	128,191	85,420	42,771
Fringe Benefits	65,035	41,270	23,765
Contractual Services	33,102	13,086	20,016
<i>Total Expenditures</i>	226,328	139,776	86,552
<i>Excess of Revenues Over (Under) Expenditures</i>	(84,768)	14,747	99,515
Other Financing Source			
Advances In	0	775	775
<i>Net Change in Fund Balance</i>	(84,768)	15,522	100,290
Fund Balance at Beginning of Year	125,990	125,990	0
Prior Year Encumbrances Appropriated	26	26	0
<i>Fund Balance at End of Year</i>	\$41,248	\$141,538	\$100,290

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Law Enforcement Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$13,765	\$8,765	(\$5,000)
Expenditures			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	27,781	3,298	24,483
Capital Outlay	13,000	1,087	11,913
Other	14,500	11,474	3,026
<i>Total Expenditures</i>	55,281	15,859	39,422
<i>Net Change in Fund Balance</i>	(41,516)	(7,094)	34,422
Fund Balance at Beginning of Year	51,257	51,257	0
Prior Year Encumbrances Appropriated	1,302	1,302	0
<i>Fund Balance at End of Year</i>	<u>\$11,043</u>	<u>\$45,465</u>	<u>\$34,422</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Guardianship Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$15,000	\$12,126	(\$2,874)
Expenditures			
Current:			
Human Services			
Indigent Guardianship			
Contractual Services	15,000	12,500	2,500
<i>Net Change in Fund Balance</i>	0	(374)	(374)
Fund Balance at Beginning of Year	90	90	0
<i>Fund Balance (Deficit) at End of Year</i>	\$90	(\$284)	(\$374)

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Victim of Criminals Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$43,072	\$43,072	\$0
Expenditures			
Current:			
Public Safety			
Victim of Criminals			
Salaries and Wages	42,641	41,820	821
Materials and Supplies	952	952	0
<i>Total Expenditures</i>	43,593	42,772	821
<i>Net Change in Fund Balance</i>	(521)	300	821
Fund Balance at Beginning of Year	521	521	0
<i>Fund Balance at End of Year</i>	\$0	\$821	\$821

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sheriff Commissary Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$246,430	\$246,430	\$0
Expenditures			
Current:			
Public Safety			
Sheriff Commissary			
Materials and Supplies	206,834	205,334	1,500
Contractual Services	32,140	32,103	37
Capital Outlay	18,400	18,400	0
<i>Total Expenditures</i>	<u>257,374</u>	<u>255,837</u>	<u>1,537</u>
<i>Net Change in Fund Balance</i>	(10,944)	(9,407)	1,537
Fund Balance at Beginning of Year	5,640	5,640	0
Prior Year Encumbrances Appropriated	<u>5,874</u>	<u>5,874</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$570</u></u>	<u><u>\$2,107</u></u>	<u><u>\$1,537</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Children Services Christmas Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Contributions and Donations	\$0	\$8,988	\$8,988
Expenditures			
Current:			
Human Services			
Children Services			
Materials and Supplies	63,057	9,334	53,723
<i>Net Change in Fund Balance</i>	(63,057)	(346)	62,711
Fund Balance at Beginning of Year	58,787	58,787	0
Prior Year Encumbrances Appropriated	4,270	4,270	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$62,711</u>	<u>\$62,711</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Health Levy Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$991,010	\$991,010	\$0
Intergovernmental	229,259	229,259	0
Payments in Lieu of Taxes	10,070	10,070	0
<i>Total Revenues</i>	1,230,339	1,230,339	0
Expenditures			
Intergovernmental			
Contractual Services	1,230,339	1,230,339	0
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Certificate of Title Administration Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$310,000	\$289,875	(\$20,125)
Interest	0	2,058	2,058
<i>Total Revenues</i>	<u>310,000</u>	<u>291,933</u>	<u>(18,067)</u>
Expenditures			
Current:			
General Government - Legislative and Executive			
Clerk of Courts Title			
Salaries and Wages	129,000	127,400	1,600
Fringe Benefits	22,684	22,563	121
Materials and Supplies	16,000	15,222	778
Contractual Services	10,335	10,065	270
Capital Outlay	14,935	9,000	5,935
Other	78,479	16,235	62,244
<i>Total Expenditures</i>	<u>271,433</u>	<u>200,485</u>	<u>70,948</u>
<i>Excess of Revenues Over Expenditures</i>	<u>38,567</u>	<u>91,448</u>	<u>52,881</u>
Other Financing Source (Use)			
Advances In	0	648	648
Transfers Out	(145,000)	(145,000)	0
<i>Total Other Financing Source (Use)</i>	<u>(145,000)</u>	<u>(144,352)</u>	<u>648</u>
<i>Net Change in Fund Balance</i>	(106,433)	(52,904)	53,529
Fund Balance at Beginning of Year	842,656	842,656	0
Prior Year Encumbrances Appropriated	6,433	6,433	0
<i>Fund Balance at End of Year</i>	<u><u>\$742,656</u></u>	<u><u>\$796,185</u></u>	<u><u>\$53,529</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sheriff Levy Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property Taxes	\$401,645	\$401,645	\$0
Intergovernmental	71,325	71,325	0
Payments in Lieu of Taxes	4,822	4,822	0
Contributions and Donations	2,520	2,520	0
<i>Total Revenues</i>	<u>480,312</u>	<u>480,312</u>	<u>0</u>
Expenditures			
Current:			
Public Safety			
Sheriff Department			
Salaries and Wages	368,000	345,514	22,486
Fringe Benefits	147,171	143,301	3,870
Capital Outlay	24,829	10,680	14,149
<i>Total Expenditures</i>	<u>540,000</u>	<u>499,495</u>	<u>40,505</u>
<i>Excess of Revenues Under Expenditures</i>	(59,688)	(19,183)	40,505
Other Financing Source			
Advances In	<u>0</u>	<u>1,810</u>	<u>1,810</u>
<i>Net Change in Fund Balance</i>	(59,688)	(17,373)	42,315
Fund Balance at Beginning of Year	<u>371,268</u>	<u>371,268</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$311,580</u></u>	<u><u>\$353,895</u></u>	<u><u>\$42,315</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Special Projects Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$98,000	\$109,389	\$11,389
Expenditures			
Current:			
General Government - Judicial			
Court Special Projects			
Salaries and Wages	20,000	2,744	17,256
Fringe Benefits	5,394	713	4,681
Materials and Supplies	13,000	266	12,734
Contractual Services	20,000	2,600	17,400
Capital Outlay	15,000	715	14,285
<i>Total Expenditures</i>	73,394	7,038	66,356
<i>Excess of Revenues Over Expenditures</i>	24,606	102,351	77,745
Other Financing Source			
Advances In	0	15	15
<i>Net Change in Fund Balance</i>	24,606	102,366	77,760
Fund Balance at Beginning of Year	253,283	253,283	0
<i>Fund Balance at End of Year</i>	\$277,889	\$355,649	\$77,760

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Transportation Improvement District (TID) Escrow Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Public Works			
TID Escrow			
Contractual Services	1,611,949	1,611,196	753
<i>Excess of Revenues Under Expenditures</i>	(1,611,949)	(1,611,196)	753
Other Financing Source			
Transfers In	2,477,682	1,611,950	(865,732)
<i>Net Change in Fund Balance</i>	865,733	754	(864,979)
Fund Balance at Beginning of Year	925,000	925,000	0
<i>Fund Balance at End of Year</i>	<u>\$1,790,733</u>	<u>\$925,754</u>	<u>(\$864,979)</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Juvenile Detention Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
General Government - Judicial			
Juvenile Court			
Fringe Benefits	23,738	0	23,738
Materials and Supplies	31,589	1,658	29,931
Contractual Services	4,941	828	4,113
Capital Outlay	14,811	7,128	7,683
Other	3,297	2,996	301
<i>Total Expenditures</i>	78,376	12,610	65,766
<i>Net Change in Fund Balance</i>	(78,376)	(12,610)	65,766
Fund Balance at Beginning of Year	73,376	73,376	0
Prior Year Encumbrances Appropriated	5,000	5,000	0
<i>Fund Balance at End of Year</i>	\$0	\$65,766	\$65,766

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Concealed Weapon Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$3,963	\$3,963	\$0
Expenditures			
Current:			
Public Safety			
Sheriff			
Materials and Supplies	500	0	500
Contractual Services	7,000	1,484	5,516
Capital Outlay	500	0	500
<i>Total Expenditures</i>	8,000	1,484	6,516
<i>Net Change in Fund Balance</i>	(4,037)	2,479	6,516
Fund Balance at Beginning of Year	10,695	10,695	0
<i>Fund Balance at End of Year</i>	\$6,658	\$13,174	\$6,516

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Wireless 911 Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$162,659	\$166,070	\$3,411
Expenditures			
Current:			
Public Safety			
911 Wireless Fund			
Materials and Supplies	500	399	101
Contractual Services	11,400	11,189	211
Capital Outlay	85,000	81,551	3,449
<i>Total Expenditures</i>	96,900	93,139	3,761
<i>Net Change in Fund Balance</i>	65,759	72,931	7,172
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	\$65,759	\$72,931	\$7,172

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Brandywine Loop Extension Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$4,800	\$4,800	\$0
Payment in Lieu of Taxes	94,000	46,424	(47,576)
<i>Total Revenues</i>	<u>98,800</u>	<u>51,224</u>	<u>(47,576)</u>
Expenditures			
Current:			
Public Works			
Brandywine Loop Extension			
Contractual Services	28,698	28,698	0
Intergovernmental			
Contractual Services	971,302	524,369	446,933
Debt Service:			
Interest and Fiscal Charges	4,800	4,800	0
<i>Total Expenditures</i>	<u>1,004,800</u>	<u>557,867</u>	<u>446,933</u>
<i>Excess of Revenues Under Expenditures</i>	(906,000)	(506,643)	399,357
Other Financing Source			
Bond Anticipation Notes Issued	1,000,000	1,000,000	0
<i>Net Change in Fund Balance</i>	94,000	493,357	399,357
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$94,000</u></u>	<u><u>\$493,357</u></u>	<u><u>\$399,357</u></u>

NONMAJOR DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs. The following are reported as nonmajor debt service funds:

Debt Service Fund - To account for rent monies from the Department of Job and Family Services, from the County Fairboard, and transfers from other governmental funds used for the retirement of County general obligation bonds.

Special Assessment Debt Service Fund - To account for special assessment revenue used for the repayment of OWDA and bonded special assessment debt.

Note Retirement Fund - To account for the repayment of note debt and related revenue activity. For GAAP reporting, this activity is reflected in the fund that received the note proceeds.

Sewer Debt Service Fund - To account for the repayment of debt and related revenue activity. For GAAP reporting, this activity is reflected in the Sewer Enterprise Fund.

Water Debt Service Fund - To account for the repayment of debt and related revenue activity. For GAAP reporting, this activity is reflected in the Water Enterprise Fund.

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2006

	Debt Service	Special Assessment Debt Service	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$101,729	\$352,013	\$453,742
Receivables:			
Special Assessments	0	1,459,147	1,459,147
Loans	383,229	0	383,229
<i>Total Assets</i>	<u>\$484,958</u>	<u>\$1,811,160</u>	<u>\$2,296,118</u>
Liabilities and Fund Balances			
Liabilities			
Interfund Payable	\$0	\$6,266	\$6,266
Deferred Revenue	0	1,459,147	1,459,147
<i>Total Liabilities</i>	<u>0</u>	<u>1,465,413</u>	<u>1,465,413</u>
Fund Balances			
Reserved for Encumbrances	550	0	550
Reserved for Loans	363,229	0	363,229
Unreserved:			
Undesignated	121,179	345,747	466,926
<i>Total Fund Balances</i>	<u>484,958</u>	<u>345,747</u>	<u>830,705</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$484,958</u>	<u>\$1,811,160</u>	<u>\$2,296,118</u>

Muskingum County, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2006

	Debt Service	Special Assessment Debt Service	Total Nonmajor Debt Service Funds
Revenues			
Special Assessments	\$0	\$79,349	\$79,349
Intergovernmental	16,380	0	16,380
Interest	0	68,159	68,159
Rent	418,516	0	418,516
<i>Total Revenues</i>	434,896	147,508	582,404
Expenditures			
Debt Service:			
Principal Retirement	860,000	104,181	964,181
Interest and Fiscal Charges	681,458	59,975	741,433
<i>Total Expenditures</i>	1,541,458	164,156	1,705,614
<i>Excess of Revenues Under Expenditures</i>	(1,106,562)	(16,648)	(1,123,210)
Other Financing Source			
Transfers In	1,130,317	44,824	1,175,141
<i>Net Change in Fund Balances</i>	23,755	28,176	51,931
Fund Balances at Beginning of Year	461,203	317,571	778,774
<i>Fund Balances at End of Year</i>	\$484,958	\$345,747	\$830,705

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$38,745	\$36,380	(\$2,365)
Rent	424,778	418,516	(6,262)
<i>Total Revenues</i>	<u>463,523</u>	<u>454,896</u>	<u>(8,627)</u>
Expenditures			
Intergovernmental			
Contractual Services	38,395	22,350	16,045
Debt Service:			
Principal Retirement	1,710,000	1,710,000	0
Interest and Fiscal Charges	713,885	704,297	9,588
Issuance Costs	10,903	9,731	1,172
<i>Total Debt Service</i>	<u>2,434,788</u>	<u>2,424,028</u>	<u>10,760</u>
<i>Total Expenditures</i>	<u>2,473,183</u>	<u>2,446,378</u>	<u>26,805</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,009,660)</u>	<u>(1,991,482)</u>	<u>18,178</u>
Other Financing Sources			
General Obligation Bonds Issued	860,000	860,000	0
Premium on General Obligation Bonds Issued	903	903	0
Transfers In	1,109,228	1,152,572	43,344
<i>Total Other Financing Sources</i>	<u>1,970,131</u>	<u>2,013,475</u>	<u>43,344</u>
<i>Net Change in Fund Balance</i>	(39,529)	21,993	61,522
Fund Balance at Beginning of Year	81,580	81,580	0
<i>Fund Balance at End of Year</i>	<u>\$42,051</u>	<u>\$103,573</u>	<u>\$61,522</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Special Assessment Debt Service Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Special Assessments	\$82,141	\$79,349	(\$2,792)
Interest	68,159	68,159	0
<i>Total Revenues</i>	<u>150,300</u>	<u>147,508</u>	<u>(2,792)</u>
Expenditures			
Debt Service:			
Principal Retirement	104,181	104,181	0
Interest and Fiscal Charges	61,650	59,975	1,675
<i>Total Expenditures</i>	<u>165,831</u>	<u>164,156</u>	<u>1,675</u>
<i>Excess of Revenues Under Expenditures</i>	(15,531)	(16,648)	(1,117)
Other Financing Source			
Transfers In	51,645	44,824	(6,821)
<i>Net Change in Fund Balance</i>	36,114	28,176	(7,938)
Fund Balance at Beginning of Year	<u>323,837</u>	<u>323,837</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$359,951</u></u>	<u><u>\$352,013</u></u>	<u><u>(\$7,938)</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Note Retirement Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Debt Service:			
Principal Retirement	\$21,500	\$0	\$21,500
Interest and Fiscal Charges	645	0	645
<i>Total Expenditures</i>	<u>22,145</u>	<u>0</u>	<u>22,145</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(22,145)	0	22,145
Other Financing Source			
Transfers In	<u>94,000</u>	<u>0</u>	<u>(94,000)</u>
<i>Net Change in Fund Balance</i>	71,855	0	(71,855)
Fund Balance at Beginning of Year	<u>6</u>	<u>6</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$71,861</u></u>	<u><u>\$6</u></u>	<u><u>(\$71,855)</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Sewer Debt Service Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Current:			
Contractual Services	\$1,000,000	\$0	\$1,000,000
Debt Service:			
Principal Retirement	9,551,758	9,551,723	35
Interest and Fiscal Charges	606,546	606,503	43
Issuance Costs	68,129	82,134	(14,005)
<i>Total Expenditures</i>	<u>11,226,433</u>	<u>10,240,360</u>	<u>986,073</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(11,226,433)</u>	<u>(10,240,360)</u>	<u>986,073</u>
Other Financing Sources			
General Obligation Bonds Issued	4,000,000	3,060,000	(940,000)
Premium on General Obligation Bonds Issued	30,640	34,989	4,349
Bond Anticipation Notes Issued	5,380,000	5,380,000	0
Transfers In	747,793	672,304	(75,489)
<i>Total Other Financing Sources</i>	<u>10,158,433</u>	<u>9,147,293</u>	<u>(1,011,140)</u>
<i>Net Change in Fund Balance</i>	<u>(1,068,000)</u>	<u>(1,093,067)</u>	<u>(25,067)</u>
Fund Balance at Beginning of Year	<u>1,646,527</u>	<u>1,646,527</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$578,527</u></u>	<u><u>\$553,460</u></u>	<u><u>(\$25,067)</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Water Debt Service Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Expenditures			
Debt Service:			
Principal Retirement	\$347,727	\$346,772	\$955
Interest and Fiscal Charges	338,362	338,278	84
<i>Total Expenditures</i>	<u>686,089</u>	<u>685,050</u>	<u>1,039</u>
<i>Excess of Revenues Under Expenditures</i>	(686,089)	(685,050)	1,039
Other Financing Source			
Transfers In	<u>685,183</u>	<u>683,161</u>	<u>(2,022)</u>
<i>Net Change in Fund Balance</i>	(906)	(1,889)	(983)
Fund Balance at Beginning of Year	<u>1,889</u>	<u>1,889</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$983</u></u>	<u><u>\$0</u></u>	<u><u>(\$983)</u></u>

NONMAJOR CAPITAL PROJECTS FUNDS

The capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds). The following are reported as nonmajor capital projects funds:

STAR Region 8 Fund - To account for federal homeland security revenue to be used for equipment for a ten-county Southeast Ohio Search and Rescue Team.

Issue II Fund - To account for Issue 2 monies used for bridge painting, county road paving and repair.

Highway Fund - To account for federal money received for the repair and construction of roads and bridges within the County.

Job and Family Services Renovation Fund - To account for note proceeds to be used in the renovations of the Job and Family Services building.

Starlight Permanent Improvements Fund - To account for revenues from an operating levy used for permanent improvements at the Starlight School.

Recorder Equipment Fund - To account for a portion of the recorder's fees to be used for the purchase of equipment.

Court Computer Fund - To account for a portion of court fees to be used for the purchase of computer equipment.

Energy Conservation Fund - To account for loan proceeds used to renovate the Starlight school and workshop. This fund will also reflect the tax revenue to be used for the debt payments associated with this loan.

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2006

	STAR Region 8	Issue II	Highway
Assets			
Equity in Pooled Cash and Cash Equivalents	\$20,405	\$5,427	\$17,838
Restricted Cash and Cash Equivalents	0	0	0
Receivables:			
Intergovernmental	0	0	174,147
Prepaid Items	0	0	0
<i>Total Assets</i>	<u>\$20,405</u>	<u>\$5,427</u>	<u>\$191,985</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	0	16,200
Accrued Wages and Benefits	0	0	0
Retainage Payable	0	0	20,880
Interfund Payable	19,808	0	0
Intergovernmental Payable	0	0	0
Notes Payable	0	218,391	0
Deferred Revenue	0	0	174,147
<i>Total Liabilities</i>	<u>19,808</u>	<u>218,391</u>	<u>211,227</u>
Fund Balances			
Reserved for Encumbrances	0	0	1,638
Unreserved:			
Undesignated (Deficit)	597	(212,964)	(20,880)
<i>Total Fund Balances (Deficit)</i>	<u>597</u>	<u>(212,964)</u>	<u>(19,242)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$20,405</u>	<u>\$5,427</u>	<u>\$191,985</u>

Job and Family Services Renovation	Starlight Permanent Improvements	Recorder Equipment	Court Computer	Total Nonmajor Capital Projects Funds
\$2,394	\$1,488,032	\$374,324	\$349,626	\$2,258,046
81,170	0	0	0	81,170
0	0	0	0	174,147
0	3,152	0	0	3,152
<u>\$83,564</u>	<u>\$1,491,184</u>	<u>\$374,324</u>	<u>\$349,626</u>	<u>\$2,516,515</u>
\$0	\$0	\$0	\$590	\$590
0	0	0	0	16,200
0	0	0	146	146
0	0	0	0	20,880
0	0	0	32	19,840
0	0	0	251	251
0	0	0	0	218,391
0	0	0	0	174,147
0	0	0	1,019	450,445
37,899	7,000	510	7,101	54,148
45,665	1,484,184	373,814	341,506	2,011,922
83,564	1,491,184	374,324	348,607	2,066,070
<u>\$83,564</u>	<u>\$1,491,184</u>	<u>\$374,324</u>	<u>\$349,626</u>	<u>\$2,516,515</u>

Muskingum County, Ohio
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2006

	STAR Region 8	Issue II	Highway	Job and Family Services Renovation
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	0	0
Intergovernmental	60,687	1,201,209	346,372	0
Interest	0	0	0	64
<i>Total Revenues</i>	<u>60,687</u>	<u>1,201,209</u>	<u>346,372</u>	<u>64</u>
Expenditures				
Current:				
General Government:				
Judicial	0	0	0	0
Public Works	0	9,243	0	0
Human Services	0	0	0	64
Capital Outlay	60,090	1,342,653	441,814	81,249
Debt Service:				
Interest and Fiscal Charges	0	6,033	0	18,656
Issuance Costs	0	0	0	9,731
<i>Total Expenditures</i>	<u>60,090</u>	<u>1,357,929</u>	<u>441,814</u>	<u>109,700</u>
<i>Excess of Revenues Over (Under)</i>				
<i>Expenditures</i>	<u>597</u>	<u>(156,720)</u>	<u>(95,442)</u>	<u>(109,636)</u>
Other Financing Sources (Use)				
General Obligation Bonds Issued	0	0	0	860,000
Premium on General Obligation Bonds Issued	0	0	0	903
Transfers In	0	259,611	52,200	22,255
Transfers Out	0	0	0	0
<i>Total Other Financing Sources (Use)</i>	<u>0</u>	<u>259,611</u>	<u>52,200</u>	<u>883,158</u>
<i>Net Change in Fund Balances</i>	597	102,891	(43,242)	773,522
Fund Balances (Deficit) at Beginning of Year	<u>0</u>	<u>(315,855)</u>	<u>24,000</u>	<u>(689,958)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u><u>\$597</u></u>	<u><u>(\$212,964)</u></u>	<u><u>(\$19,242)</u></u>	<u><u>\$83,564</u></u>

Starlight Permanent Improvements	Recorder Equipment	Court Computer	Energy Conservation	Total Nonmajor Capital Projects Funds
\$0	\$70,197	\$0	\$0	\$70,197
0	0	91,844	0	91,844
0	0	0	0	1,608,268
0	0	0	0	64
<u>0</u>	<u>70,197</u>	<u>91,844</u>	<u>0</u>	<u>1,770,373</u>
0	0	87,390	0	87,390
0	75,543	0	0	84,786
35,198	0	0	0	35,262
0	0	0	0	1,925,806
0	0	0	5,674	30,363
0	0	0	0	9,731
<u>35,198</u>	<u>75,543</u>	<u>87,390</u>	<u>5,674</u>	<u>2,173,338</u>
<u>(35,198)</u>	<u>(5,346)</u>	<u>4,454</u>	<u>(5,674)</u>	<u>(402,965)</u>
0	0	0	0	860,000
0	0	0	0	903
500,000	0	0	0	834,066
0	0	0	(17,841)	(17,841)
<u>500,000</u>	<u>0</u>	<u>0</u>	<u>(17,841)</u>	<u>1,677,128</u>
464,802	(5,346)	4,454	(23,515)	1,274,163
<u>1,026,382</u>	<u>379,670</u>	<u>344,153</u>	<u>23,515</u>	<u>791,907</u>
<u>\$1,491,184</u>	<u>\$374,324</u>	<u>\$348,607</u>	<u>\$0</u>	<u>\$2,066,070</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
STAR Region 8 Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$154,536	\$60,687	(\$93,849)
Expenditures			
Current:			
Public Safety			
Disaster Services			
Capital Outlay	75,292	60,090	15,202
<i>Excess of Revenues Over Expenditures</i>	79,244	597	(78,647)
Other Financing Source			
Advances In	0	19,808	19,808
<i>Net Change in Fund Balance</i>	79,244	20,405	(58,839)
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$79,244</u>	<u>\$20,405</u>	<u>(\$58,839)</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Issue II Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$1,201,209	\$1,201,209	\$0
Expenditures			
Capital Outlay			
Issue 2			
Contractual Services	9,243	9,243	0
Capital Outlay	1,343,975	1,342,653	1,322
<i>Total Capital Outlay</i>	1,353,218	1,351,896	1,322
Debt Service:			
Principal Retirement	110,811	110,811	0
Interest and Fiscal Charges	6,033	6,033	0
<i>Total Debt Service</i>	116,844	116,844	0
<i>Total Expenditures</i>	1,470,062	1,468,740	1,322
<i>Excess of Revenues Under Expenditures</i>	(268,853)	(267,531)	1,322
Other Financing Source (Use)			
Transfers In	259,611	259,611	0
Transfers Out	(1,862)	0	1,862
<i>Total Other Financing Source (Use)</i>	257,749	259,611	1,862
<i>Net Change in Fund Balance</i>	(11,104)	(7,920)	3,184
Fund Balance at Beginning of Year	13,347	13,347	0
<i>Fund Balance at End of Year</i>	\$2,243	\$5,427	\$3,184

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Highway Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$702,000	\$370,372	(\$331,628)
Expenditures			
Current:			
Public Works			
Highway Fund			
Capital Outlay	403,103	422,572	(19,469)
<i>Excess of Revenues Over (Under) Expenditures</i>	298,897	(52,200)	(351,097)
Other Financing Source			
Transfers In	78,000	52,200	(25,800)
<i>Net Change in Fund Balance</i>	376,897	0	(376,897)
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$376,897</u>	<u>\$0</u>	<u>(\$376,897)</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Job and Family Services Renovation Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Human Services			
Job and Family Services Renovation			
Capital Outlay	305,042	261,771	43,271
<i>Excess of Revenues Under Expenditures</i>	(305,042)	(261,771)	43,271
Fund Balance at Beginning of Year	86,544	86,544	0
Prior Year Encumbrances Appropriated	218,498	218,498	0
<i>Fund Balance at End of Year</i>	\$0	\$43,271	\$43,271

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Starlight Permanent Improvements Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Human Services			
Starlight Permanent Improvements			
Contractual Services	333,456	45,350	288,106
<i>Excess of Revenues Under Expenditures</i>	(333,456)	(45,350)	288,106
Other Financing Source			
Transfers In	500,000	500,000	0
<i>Net Change in Fund Balance</i>	166,544	454,650	288,106
Fund Balance at Beginning of Year	1,022,926	1,022,926	0
Prior Year Encumbrances Appropriated	3,456	3,456	0
<i>Fund Balance at End of Year</i>	<u>\$1,192,926</u>	<u>\$1,481,032</u>	<u>\$288,106</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Recorder Equipment
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$75,000	\$70,045	(\$4,955)
Expenditures			
Current:			
Public Works			
Recorder Equipment			
Capital Outlay	125,000	76,053	48,947
<i>Net Change in Fund Balance</i>	(50,000)	(6,008)	43,992
Fund Balance at Beginning of Year	379,398	379,398	0
<i>Fund Balance at End of Year</i>	<u>\$329,398</u>	<u>\$373,390</u>	<u>\$43,992</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court Computer Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$83,000	\$92,766	\$9,766
Expenditures			
Current:			
General Government - Judicial			
Court Computer Fund			
Salaries and Wages	11,240	7,363	3,877
Fringe Benefits	1,801	1,172	629
Materials and Supplies	12,537	8,500	4,037
Contractual Services	56,110	48,779	7,331
Capital Outlay	52,033	29,837	22,196
<i>Total Expenditures</i>	133,721	95,651	38,070
<i>Excess of Revenues Under Expenditures</i>	(50,721)	(2,885)	47,836
Other Financing Source:			
Advances In	0	32	32
<i>Net Change in Fund Balance</i>	(50,721)	(2,853)	47,868
Fund Balance at Beginning of Year	330,330	330,330	0
Prior Year Encumbrances Appropriated	8,312	8,312	0
<i>Fund Balance at End of Year</i>	<u>\$287,921</u>	<u>\$335,789</u>	<u>\$47,868</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Energy Conservation Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Debt Service:			
Principal Retirement	243,561	243,561	0
Interest and Fiscal Charges	9,934	9,934	0
<i>Total Expenditures</i>	253,495	253,495	0
<i>Excess of Revenues Under Expenditures</i>	(253,495)	(253,495)	0
Other Financing Use			
Transfers Out	(17,841)	(17,841)	0
<i>Net Change in Fund Balance</i>	(271,336)	(271,336)	0
Fund Balance at Beginning of Year	271,336	271,336	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

ENTERPRISE FUNDS

The enterprise funds are maintained to account for the operations of county government that provide goods or services to the general public in a manner similar to private business enterprises.

The following are included in enterprise funds:

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

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

Muskingum County, Ohio
Schedule of Revenues, Expenses, and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$2,039,786	\$2,132,870	\$93,084
Tap-In Fees	1,158,331	1,416,557	258,226
General Obligation Bonds Issued	4,060,000	5,060,000	1,000,000
Bond Anticipation Notes Issued	4,740,000	4,000,000	(740,000)
Interest	68,965	16,638	(52,327)
Other Non-Operating Revenues	12,236	19,627	7,391
<i>Total Revenues</i>	<u>12,079,318</u>	<u>12,645,692</u>	<u>566,374</u>
Expenses			
Personal Services	393,960	339,331	54,629
Materials and Supplies	112,170	84,552	27,618
Contractual Services	9,402,440	9,393,780	8,660
Capital Outlay	655,749	254,599	401,150
Other Operating Expenses	70,000	67,414	2,586
Debt Service:			
Principal Retirement	207,000	0	207,000
Interest and Fiscal Charges	130,137	77,810	52,327
<i>Total Expenses</i>	<u>10,971,456</u>	<u>10,217,486</u>	<u>753,970</u>
<i>Excess of Revenues Over Expenses</i>	1,107,862	2,428,206	1,320,344
Advances In	0	1,524	1,524
Advances Out	(700,000)	0	700,000
Transfers Out	(717,128)	(717,128)	0
<i>Net Change in Fund Equity</i>	(309,266)	1,712,602	2,021,868
Fund Equity at Beginning of Year	1,885,868	1,885,868	0
Prior Year Encumbrances Appropriated	3,355,550	3,355,550	0
<i>Fund Equity at End of Year</i>	<u>\$4,932,152</u>	<u>\$6,954,020</u>	<u>\$2,021,868</u>

Muskingum County, Ohio
Schedule of Revenues, Expenses, and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$2,760,885	\$2,880,080	\$119,195
Tap-In Fees	250,000	304,857	54,857
Bond Anticipation Notes Issued	1,100,000	0	(1,100,000)
Proceeds from OWDA Loans	231,896	232,289	393
Grants	590,000	282,965	(307,035)
Other Non-Operating Revenues	16,000	44,987	28,987
<i>Total Revenues</i>	<u>4,948,781</u>	<u>3,745,178</u>	<u>(1,203,603)</u>
Expenses			
Personal Services	636,517	604,375	32,142
Materials and Supplies	369,723	249,023	120,700
Contractual Services	3,570,493	2,958,637	611,856
Capital Outlay	165,898	122,550	43,348
Other Non-Operating Expenses	5,000	4,820	180
Debt Service:			
Principal Retirement	16,445	0	16,445
Interest and Fiscal Charges	667	667	0
<i>Total Expenses</i>	<u>4,764,743</u>	<u>3,940,072</u>	<u>824,671</u>
<i>Excess of Revenues Over (Under) Expenses</i>	184,038	(194,894)	(378,932)
Advances In	0	2,248	2,248
Transfers In	1,000	1,000	0
Transfers Out	(683,161)	(683,161)	0
<i>Net Change in Fund Equity</i>	(498,123)	(874,807)	(376,684)
Fund Equity at Beginning of Year	1,523,923	1,523,923	0
Prior Year Encumbrances Appropriated	176,011	176,011	0
<i>Fund Equity at End of Year</i>	<u>\$1,201,811</u>	<u>\$825,127</u>	<u>(\$376,684)</u>

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing on a cost-reimbursement basis of services provided by the self-insurance funds to other County departments and agencies. Charges to the user departments and agencies are intended to recover total costs.

Self-Insurance Health Fund - To account for employee health care benefits and claims related to this self-insurance program.

Self-Insurance Workers' Compensation Fund - To account for claims and administrative expenses of the County's workers' compensation retrospective-rating program.

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

	Self-Insurance Health	Self-Insurance Workers' Compensation	Totals
Assets			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$635,296	\$208,332	\$843,628
<i>Total Assets</i>	<u>635,296</u>	<u>208,332</u>	<u>843,628</u>
Liabilities			
Current Liabilities:			
Interfund Payable	50,000	0	50,000
Claims Payable	1,271,000	19,789	1,290,789
<i>Total Liabilities</i>	<u>1,321,000</u>	<u>19,789</u>	<u>1,340,789</u>
Net Assets			
Unrestricted (Deficit)	(685,704)	188,543	(497,161)
<i>Total Net Assets (Deficit)</i>	<u>(685,704)</u>	<u>\$188,543</u>	<u>(\$497,161)</u>

Muskingum County, Ohio
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2006

	Self-Insurance Health	Self-Insurance Workers' Compensation	Totals
Operating Revenues			
Charges for Services	\$7,949,734	\$0	\$7,949,734
Operating Expenses			
Contractual Services	677,532	0	677,532
Claims	7,064,793	6,522	7,071,315
<i>Total Operating Expenses</i>	<u>7,742,325</u>	<u>6,522</u>	<u>7,748,847</u>
<i>Operating Income (Loss)</i>	207,409	(6,522)	200,887
Non-Operating Revenues			
Other Non-Operating Revenues	3,760	0	3,760
<i>Change in Net Assets</i>	211,169	(6,522)	204,647
Net Assets (Deficit) Beginning of Year	<u>(896,873)</u>	<u>195,065</u>	<u>(701,808)</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$685,704)</u></u>	<u><u>\$188,543</u></u>	<u><u>(\$497,161)</u></u>

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

	Self-Insurance Health	Self-Insurance Workers' Compensation	Totals
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Transactions with Other Funds	\$7,949,734	\$0	\$7,949,734
Cash Payments to Suppliers for Goods and Services	(677,532)	0	(677,532)
Cash Payments for Claims	(7,021,793)	(1,015)	(7,022,808)
Other Non-Operating Revenues	3,760	0	3,760
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>254,169</u>	<u>(1,015)</u>	<u>253,154</u>
Cash Flows from Noncapital Financing Activities			
Advances In	50,000	0	50,000
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	304,169	(1,015)	303,154
Cash and Cash Equivalents Beginning of Year	<u>331,127</u>	<u>209,347</u>	<u>540,474</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$635,296</u></u>	<u><u>\$208,332</u></u>	<u><u>\$843,628</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$207,409	(\$6,522)	\$200,887
Adjustments:			
Other Non-Operating Revenues	3,760	0	3,760
Changes in Liabilities:			
Increase in Claims Payable	<u>43,000</u>	<u>5,507</u>	<u>48,507</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$254,169</u></u>	<u><u>(\$1,015)</u></u>	<u><u>\$253,154</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenses, and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self-Insurance Health Fund
For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$7,989,254	\$7,949,734	(\$39,520)
Other Non-Operating Revenues	3,760	3,760	0
<i>Total Revenues</i>	<u>7,993,014</u>	<u>7,953,494</u>	<u>(39,520)</u>
Expenses			
Contractual Services	677,532	677,532	0
Claims	7,646,609	7,246,609	400,000
<i>Total Expenses</i>	<u>8,324,141</u>	<u>7,924,141</u>	<u>400,000</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	(331,127)	29,353	360,480
Advances In	<u>0</u>	<u>50,000</u>	<u>50,000</u>
<i>Net Change in Fund Equity</i>	(331,127)	79,353	410,480
Fund Equity at Beginning of Year	<u>331,127</u>	<u>331,127</u>	<u>0</u>
<i>Fund Equity at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$410,480</u></u>	<u><u>\$410,480</u></u>

Muskingum County, Ohio
 Schedule of Revenues, Expenses, and Changes
 In Fund Equity - Budget (Non-GAAP Basis) and Actual
 Self-Insurance Workers' Compensation Fund
 For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$200,000	\$0	(\$200,000)
Expenses			
Claims	200,000	1,015	198,985
<i>Net Change in Fund Equity</i>	0	(1,015)	(1,015)
Fund Equity at Beginning of Year	209,347	209,347	0
<i>Fund Equity at End of Year</i>	<u>\$209,347</u>	<u>\$208,332</u>	<u>(\$1,015)</u>

AGENCY FUNDS

Agency funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations. The following is a description of the County's agency funds:

Taxes Agency Fund - To account for the collection and distribution of various taxes.

Undivided State Monies Fund - To account for the collection and distribution of local government, local government revenue assistance, gasoline tax, and motor vehicle license monies.

Payroll Fund - To account for payroll, payroll taxes, and other related payroll deductions accumulated for payment to other governmental units and private organizations.

Health Fund - To account for the funds and subfunds of the Board of Health for which the County Auditor is ex-officio fiscal agent.

ADAMH Board (Muskingum Area Board of Alcohol, Drug Addiction, and Mental Health Services) Fund - To account for all revenues and related expenditures for the Six County Alcohol, Drug Addiction, and Mental Health Board for which Muskingum County is the fiscal agent.

Child Support Enforcement Fund - To account for the collection of alimony and child support payments and the distribution of such monies to the court-designated recipients.

Court Fund - To account for Clerk of Courts auto title fees, Probate, Juvenile, and County Court receipts.

Other Agency Funds

State of Ohio Fund
Local Emergency Planning Fund
Fines Fund
Escrow Fund
Law Library Fund
Hotel Lodging Tax Fund
Soil and Water Fund
Sheriff Fund
County Home Residents Fund
Children Services Fund

Port Authority Fund
Family and Children First Fund
Federally Owned Entitlement
Land Fund
Powelson Wildlife Fund
USDA Forest Service Fund
Ohio Elections Commission Fund
Muskingum County Park
Commission Fund
Recorder Housing Trust Fund

Muskingum County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2006

	Balance 1/1/06	Additions	Reductions	Balance 12/31/06
Taxes Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,815,362	\$64,402,554	\$64,313,712	\$2,904,204
Receivables:				
Intergovernmental	846,591	0	846,591	0
Accounts	1,634,489	1,647,761	1,634,489	1,647,761
Property Taxes	50,197,856	53,631,697	50,197,856	53,631,697
Payments in Lieu of Taxes	946,904	1,231,302	946,904	1,231,302
<i>Total Assets</i>	<u>\$56,441,202</u>	<u>\$120,913,314</u>	<u>\$117,939,552</u>	<u>\$59,414,964</u>
Liabilities				
Intergovernmental Payable	\$56,441,202	\$120,913,314	\$117,939,552	\$59,414,964
<i>Total Liabilities</i>	<u>\$56,441,202</u>	<u>\$120,913,314</u>	<u>\$117,939,552</u>	<u>\$59,414,964</u>
Undivided State Monies				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$12,948,702	\$12,948,702	\$0
Receivables:				
Permissive Motor Vehicle License Tax	3,659	3,740	3,659	3,740
Intergovernmental	4,262,235	4,282,064	4,262,235	4,282,064
<i>Total Assets</i>	<u>\$4,265,894</u>	<u>\$17,234,506</u>	<u>\$17,214,596</u>	<u>\$4,285,804</u>
Liabilities				
Intergovernmental Payable	\$4,265,894	\$17,234,506	\$17,214,596	\$4,285,804
<i>Total Liabilities</i>	<u>\$4,265,894</u>	<u>\$17,234,506</u>	<u>\$17,214,596</u>	<u>\$4,285,804</u>
Payroll				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$237,749	\$23,133,877	\$23,018,043	\$353,583
<i>Total Assets</i>	<u>\$237,749</u>	<u>\$23,133,877</u>	<u>\$23,018,043</u>	<u>\$353,583</u>
Liabilities				
Undistributed Monies	\$237,749	\$23,133,877	\$23,018,043	\$353,583
<i>Total Liabilities</i>	<u>\$237,749</u>	<u>\$23,133,877</u>	<u>\$23,018,043</u>	<u>\$353,583</u>

(continued)

Muskingum County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2006

	Balance 1/1/06	Additions	Reductions	Balance 12/31/06
Health				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,627,034	\$5,196,747	\$4,679,834	\$3,143,947
Receivables:				
Intergovernmental	78,277	78,864	78,277	78,864
Property Taxes	1,917,738	1,897,733	1,917,738	1,897,733
Payments in Lieu of Taxes	15,719	14,802	15,719	14,802
<i>Total Assets</i>	<u>\$4,638,768</u>	<u>\$7,188,146</u>	<u>\$6,691,568</u>	<u>\$5,135,346</u>
Liabilities				
Intergovernmental Payable	\$4,638,768	\$7,188,146	\$6,691,568	\$5,135,346
<i>Total Liabilities</i>	<u>\$4,638,768</u>	<u>\$7,188,146</u>	<u>\$6,691,568</u>	<u>\$5,135,346</u>
ADAMH Board				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,952,669	\$18,850,101	\$18,959,536	\$4,843,234
<i>Total Assets</i>	<u>\$4,952,669</u>	<u>\$18,850,101</u>	<u>\$18,959,536</u>	<u>\$4,843,234</u>
Liabilities				
Undistributed Monies	\$4,952,669	\$18,850,101	\$18,959,536	\$4,843,234
<i>Total Liabilities</i>	<u>\$4,952,669</u>	<u>\$18,850,101</u>	<u>\$18,959,536</u>	<u>\$4,843,234</u>
Child Support Enforcement				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$31,407	\$1,364,728	\$1,380,318	\$15,817
<i>Total Assets</i>	<u>\$31,407</u>	<u>\$1,364,728</u>	<u>\$1,380,318</u>	<u>\$15,817</u>
Liabilities				
Undistributed Monies	\$31,407	\$1,364,728	\$1,380,318	\$15,817
<i>Total Liabilities</i>	<u>\$31,407</u>	<u>\$1,364,728</u>	<u>\$1,380,318</u>	<u>\$15,817</u>

(continued)

Muskingum County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2006

Court	<u>Balance 1/1/06</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$259,992	\$10,852,095	\$10,726,490	\$385,597
Investments in Segregated Accounts	100,000	58	100,058	0
Accounts Receivable	132,269	152,157	132,269	152,157
<i>Total Assets</i>	<u>\$492,261</u>	<u>\$11,004,310</u>	<u>\$10,958,817</u>	<u>\$537,754</u>
Liabilities				
Intergovernmental Payable	\$33,769	\$72,157	\$33,769	\$72,157
Undistributed Monies	458,492	10,832,095	10,824,990	465,597
<i>Total Liabilities</i>	<u>\$492,261</u>	<u>\$10,904,252</u>	<u>\$10,858,759</u>	<u>\$537,754</u>
State of Ohio				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$258,623	\$258,623	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$258,623</u>	<u>\$258,623</u>	<u>\$0</u>
Liabilities				
Intergovernmental Payable	\$0	\$258,623	\$258,623	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$258,623</u>	<u>\$258,623</u>	<u>\$0</u>
Local Emergency Planning				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$13,129	\$16,626	\$12,934	\$16,821
<i>Total Assets</i>	<u>\$13,129</u>	<u>\$16,626</u>	<u>\$12,934</u>	<u>\$16,821</u>
Liabilities				
Intergovernmental Payable	\$13,129	\$16,626	\$12,934	\$16,821
<i>Total Liabilities</i>	<u>\$13,129</u>	<u>\$16,626</u>	<u>\$12,934</u>	<u>\$16,821</u>

(continued)

Muskingum County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2006

	Balance 1/1/06	Additions	Reductions	Balance 12/31/06
Fines				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$35,278	\$510,849	\$503,723	\$42,404
<i>Total Assets</i>	<u>\$35,278</u>	<u>\$510,849</u>	<u>\$503,723</u>	<u>\$42,404</u>
Liabilities				
Intergovernmental Payable	\$35,278	\$510,849	\$503,723	\$42,404
<i>Total Liabilities</i>	<u>\$35,278</u>	<u>\$510,849</u>	<u>\$503,723</u>	<u>\$42,404</u>
Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,572	\$550	\$550	\$6,572
<i>Total Assets</i>	<u>\$6,572</u>	<u>\$550</u>	<u>\$550</u>	<u>\$6,572</u>
Liabilities				
Undistributed Monies	\$6,572	\$550	\$550	\$6,572
<i>Total Liabilities</i>	<u>\$6,572</u>	<u>\$550</u>	<u>\$550</u>	<u>\$6,572</u>
Law Library				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$196,046	\$196,046	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$196,046</u>	<u>\$196,046</u>	<u>\$0</u>
Liabilities				
Intergovernmental Payable	\$0	\$196,046	\$196,046	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$196,046</u>	<u>\$196,046</u>	<u>\$0</u>

(continued)

Muskingum County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2006

	Balance 1/1/06	Additions	Reductions	Balance 12/31/06
Hotel Lodging Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$22,148	\$275,118	\$273,050	\$24,216
Property Taxes Receivable	15,030	15,541	15,030	15,541
<i>Total Assets</i>	<u>\$37,178</u>	<u>\$290,659</u>	<u>\$288,080</u>	<u>\$39,757</u>
Liabilities				
Intergovernmental Payable	\$37,178	\$290,659	\$288,080	\$39,757
<i>Total Liabilities</i>	<u>\$37,178</u>	<u>\$290,659</u>	<u>\$288,080</u>	<u>\$39,757</u>
Soil and Water				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$51,676	\$413,897	\$407,145	\$58,428
<i>Total Assets</i>	<u>\$51,676</u>	<u>\$413,897</u>	<u>\$407,145</u>	<u>\$58,428</u>
Liabilities				
Intergovernmental Payable	\$51,676	\$413,897	\$407,145	\$58,428
<i>Total Liabilities</i>	<u>\$51,676</u>	<u>\$413,897</u>	<u>\$407,145</u>	<u>\$58,428</u>
Sheriff				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$120,141	\$2,354,943	\$2,327,024	\$148,060
<i>Total Assets</i>	<u>\$120,141</u>	<u>\$2,354,943</u>	<u>\$2,327,024</u>	<u>\$148,060</u>
Liabilities				
Undistributed Monies	\$120,141	\$2,354,943	\$2,327,024	\$148,060
<i>Total Liabilities</i>	<u>\$120,141</u>	<u>\$2,354,943</u>	<u>\$2,327,024</u>	<u>\$148,060</u>

(continued)

Muskingum County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2006

	Balance 1/1/06	Additions	Reductions	Balance 12/31/06
County Home Residents				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$3,258	\$11,051	\$11,444	\$2,865
<i>Total Assets</i>	<u>\$3,258</u>	<u>\$11,051</u>	<u>\$11,444</u>	<u>\$2,865</u>
Liabilities				
Undistributed Monies	\$3,258	\$11,051	\$11,444	\$2,865
<i>Total Liabilities</i>	<u>\$3,258</u>	<u>\$11,051</u>	<u>\$11,444</u>	<u>\$2,865</u>
Children Services				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$6,970	\$92,987	\$95,430	\$4,527
<i>Total Assets</i>	<u>\$6,970</u>	<u>\$92,987</u>	<u>\$95,430</u>	<u>\$4,527</u>
Liabilities				
Deposits Held and Due to Others	\$6,970	\$92,987	\$95,430	\$4,527
<i>Total Liabilities</i>	<u>\$6,970</u>	<u>\$92,987</u>	<u>\$95,430</u>	<u>\$4,527</u>
Port Authority				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$202,082	\$914,841	\$950,650	\$166,273
<i>Total Assets</i>	<u>\$202,082</u>	<u>\$914,841</u>	<u>\$950,650</u>	<u>\$166,273</u>
Liabilities				
Intergovernmental Payable	\$202,082	\$914,841	\$950,650	\$166,273
<i>Total Liabilities</i>	<u>\$202,082</u>	<u>\$914,841</u>	<u>\$950,650</u>	<u>\$166,273</u>

(continued)

Muskingum County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2006

	Balance 1/1/06	Additions	Reductions	Balance 12/31/06
Family and Children First				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$306,467	\$1,743,262	\$1,565,244	\$484,485
<i>Total Assets</i>	<u>\$306,467</u>	<u>\$1,743,262</u>	<u>\$1,565,244</u>	<u>\$484,485</u>
Liabilities				
Intergovernmental Payable	\$306,467	\$1,743,262	\$1,565,244	\$484,485
<i>Total Liabilities</i>	<u>\$306,467</u>	<u>\$1,743,262</u>	<u>\$1,565,244</u>	<u>\$484,485</u>
Federally Owned Entitlement Land				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$7,199	\$0	\$7,199
<i>Total Assets</i>	<u>\$0</u>	<u>\$7,199</u>	<u>\$0</u>	<u>\$7,199</u>
Liabilities				
Intergovernmental Payable	\$0	\$7,199	\$0	\$7,199
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$7,199</u>	<u>\$0</u>	<u>\$7,199</u>
Powelson Wildlife				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$19,055	\$19,054	\$38,109	\$0
<i>Total Assets</i>	<u>\$19,055</u>	<u>\$19,054</u>	<u>\$38,109</u>	<u>\$0</u>
Liabilities				
Undistributed Monies	\$19,055	\$19,054	\$38,109	\$0
<i>Total Liabilities</i>	<u>\$19,055</u>	<u>\$19,054</u>	<u>\$38,109</u>	<u>\$0</u>

(continued)

Muskingum County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2006

	Balance 1/1/06	Additions	Reductions	Balance 12/31/06
USDA Forest Service				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$1,243	\$1,243	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$0</u>
Liabilities				
Undistributed Monies	\$0	\$1,243	\$1,243	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$1,243</u>	<u>\$1,243</u>	<u>\$0</u>
Ohio Elections Commission				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$411	\$280	\$131
<i>Total Assets</i>	<u>\$0</u>	<u>\$411</u>	<u>\$280</u>	<u>\$131</u>
Liabilities				
Undistributed Monies	\$0	\$411	\$280	\$131
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$411</u>	<u>\$280</u>	<u>\$131</u>
Muskingum County Park Commission				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$148,254	\$129,230	\$160,596	\$116,888
Intergovernmental Receivable	48,562	48,562	48,562	48,562
<i>Total Assets</i>	<u>\$196,816</u>	<u>\$177,792</u>	<u>\$209,158</u>	<u>\$165,450</u>
Liabilities				
Intergovernmental Payable	\$196,816	\$177,792	\$209,158	\$165,450
<i>Total Liabilities</i>	<u>\$196,816</u>	<u>\$177,792</u>	<u>\$209,158</u>	<u>\$165,450</u>

(continued)

Muskingum County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2006

	Balance 1/1/06	Additions	Reductions	Balance 12/31/06
Recorder Housing Trust Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$127,335	\$440,653	\$447,989	\$119,999
<i>Total Assets</i>	<u>\$127,335</u>	<u>\$440,653</u>	<u>\$447,989</u>	<u>\$119,999</u>
Liabilities				
Intergovernmental Payable	\$127,335	\$440,653	\$447,989	\$119,999
<i>Total Liabilities</i>	<u>\$127,335</u>	<u>\$440,653</u>	<u>\$447,989</u>	<u>\$119,999</u>
	Balance 1/1/06	Additions	Reductions	Balance 12/31/06
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,564,810	\$129,459,583	\$128,736,009	\$12,288,384
Cash and Cash Equivalents in Segregated Accounts	421,768	14,675,804	14,540,706	556,866
Investments in Segregated Accounts	100,000	58	100,058	0
Receivables:				
Permissive Motor Vehicle Licence Tax	3,659	3,740	3,659	3,740
Intergovernmental	5,235,665	4,409,490	5,235,665	4,409,490
Accounts	1,766,758	1,799,918	1,766,758	1,799,918
Property Taxes	52,130,624	55,544,971	52,130,624	55,544,971
Payments in Lieu of Taxes	962,623	1,246,104	962,623	1,246,104
<i>Total Assets</i>	<u>\$72,185,907</u>	<u>\$207,139,668</u>	<u>\$203,476,102</u>	<u>\$75,849,473</u>
Liabilities				
Intergovernmental Payable	\$66,349,594	\$150,378,570	\$146,719,077	\$70,009,087
Deposits Held and Due to Others	6,970	92,987	95,430	4,527
Undistributed Monies	5,829,343	56,568,053	56,561,537	5,835,859
<i>Total Liabilities</i>	<u>\$72,185,907</u>	<u>\$207,039,610</u>	<u>\$203,376,044</u>	<u>\$75,849,473</u>

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STATISTICAL SECTION

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	S-3 - S-11
Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue sources, sales taxes and property taxes.	S-13 - S-33
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	S-34 - S-41
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the County's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	S-42 - S-45
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the county provides and the activities it performs.	S-46 - S-54

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

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Muskingum County, Ohio
Net Assets by Component
Last Four Years
(Accrual Basis of Accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$76,740,170	\$76,094,042	\$77,365,818	\$75,944,372
Restricted:				
Capital Projects	2,375,999	2,215,117	3,013,426	3,198,163
Debt Service	1,335,528	1,260,757	1,410,127	1,335,625
Road and Bridge Projects	3,207,748	3,419,214	3,729,087	4,532,201
Starlight School Program	9,642,176	9,861,887	9,845,805	9,649,329
Children Services	3,541,258	4,438,030	5,432,770	5,263,481
Other Purposes	8,826,603	8,557,637	8,716,135	8,282,281
Unrestricted	<u>11,275,681</u>	<u>10,248,711</u>	<u>6,626,641</u>	<u>8,981,008</u>
<i>Total Governmental Activities Net Assets</i>	<u>116,945,163</u>	<u>116,095,395</u>	<u>116,139,809</u>	<u>117,186,460</u>
Business-Type-Activities				
Invested in Capital Assets, Net of Related Debt	32,786,571	31,666,592	30,313,503	29,677,101
Unrestricted	<u>7,481,155</u>	<u>5,986,766</u>	<u>7,017,178</u>	<u>7,459,904</u>
<i>Total Business-Type Activities Net Assets</i>	<u>40,267,726</u>	<u>37,653,358</u>	<u>37,330,681</u>	<u>37,137,005</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	109,526,741	107,760,634	107,679,321	105,621,473
Restricted	28,929,312	29,752,642	32,147,350	32,261,080
Unrestricted	<u>18,756,836</u>	<u>16,235,477</u>	<u>13,643,819</u>	<u>16,440,912</u>
<i>Total Primary Government Net Assets</i>	<u>\$157,212,889</u>	<u>\$153,748,753</u>	<u>\$153,470,490</u>	<u>\$154,323,465</u>

Muskingum County, Ohio
Changes in Net Assets
Last Four Years
(Accrual Basis of Accounting)

	2006	2005	2004	2003
<u>Program Revenues</u>				
Governmental Activities:				
Charges for Services:				
General Government:				
Legislative and Executive	\$3,941,922	\$4,544,842	\$4,719,544	\$4,323,623
Judicial	860,604	884,093	778,726	506,124
Public Safety	2,137,503	1,320,769	1,308,618	1,659,948
Public Works	843,687	811,425	845,162	661,003
Health	409,305	269,313	164,598	161,714
Human Services	3,693,398	3,146,455	2,561,819	2,460,894
Subtotal Charges for Services	<u>11,886,419</u>	<u>10,976,897</u>	<u>10,378,467</u>	<u>9,773,306</u>
Operating Grants, Contributions, and Interest:				
General Government:				
Legislative and Executive	23,364	848,043	117,299	14,399
Judicial	497,576	420,748	519,248	504,463
Public Safety	1,025,285	2,509,690	1,365,587	855,412
Public Works	5,504,376	5,314,517	4,633,047	6,065,600
Health	244,359	117,158	209,345	137,860
Human Services	25,274,545	22,371,395	22,115,538	22,772,249
Intergovernmental	229,599	223,566	201,328	141,140
Subtotal Operating Grants, Contributions, and Interest	<u>32,799,104</u>	<u>31,805,117</u>	<u>29,161,392</u>	<u>30,491,123</u>
Capital Grants, Contributions, and Interest:				
Public Safety	0	75,292	187,132	15,268
Public Works	2,103,796	2,286,723	352,680	19,424
Human Services	64	11	0	0
Intergovernmental	0	0	534,115	1,254,274
Subtotal Capital Grants and Contributions	<u>2,103,860</u>	<u>2,362,026</u>	<u>1,073,927</u>	<u>1,288,966</u>
<i>Total Governmental Activities Program Revenues</i>	<u>46,789,383</u>	<u>45,144,040</u>	<u>40,613,786</u>	<u>41,553,395</u>
Business-Type Activities:				
Charges for Services:				
Sewer	2,150,722	1,985,145	1,932,031	1,735,163
Water	2,883,911	2,803,829	2,471,695	2,579,148
Subtotal Charges for Services	<u>5,034,633</u>	<u>4,788,974</u>	<u>4,403,726</u>	<u>4,314,311</u>
Capital Grants and Contributions:				
Sewer	2,226,065	1,302,999	938,575	908,274
Water	1,319,604	213,606	230,040	1,150,375
Subtotal Capital Grants and Contributions	<u>3,545,669</u>	<u>1,516,605</u>	<u>1,168,615</u>	<u>2,058,649</u>
<i>Total Business-Type Activities Program Revenues</i>	<u>8,580,302</u>	<u>6,305,579</u>	<u>5,572,341</u>	<u>6,372,960</u>
<i>Total Primary Government Program Revenues</i>	<u>55,369,685</u>	<u>51,449,619</u>	<u>46,186,127</u>	<u>47,926,355</u>

(continued)

Muskingum County, Ohio
Changes in Net Assets (Continued)
Last Four Years
(Accrual Basis of Accounting)

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenses				
Governmental Activities:				
General Government:				
Legislative and Executive	\$9,926,117	\$9,466,507	\$10,640,486	\$10,702,124
Judicial	6,253,392	5,651,972	5,344,175	5,381,347
Public Safety	10,781,512	10,817,063	9,416,728	8,771,477
Public Works	9,799,321	10,353,129	7,656,460	6,564,687
Health	1,229,423	1,272,279	1,232,031	1,320,856
Human Services	36,982,530	36,853,288	35,310,650	34,610,003
Economic Development and Assistance	0	0	49,388	210,829
Intergovernmental	2,827,253	1,502,161	1,814,782	3,181,411
Interest and Fiscal Charges	803,774	825,361	844,015	993,640
<i>Total Governmental Activities Expenses</i>	<u>78,603,322</u>	<u>76,741,760</u>	<u>72,308,715</u>	<u>71,736,374</u>
Business-Type Activities:				
Sewer	3,254,399	4,090,519	2,968,027	2,685,186
Water	2,775,820	2,984,872	2,666,568	2,334,739
<i>Total Business-Type Activities Expenses</i>	<u>6,030,219</u>	<u>7,075,391</u>	<u>5,634,595</u>	<u>5,019,925</u>
<i>Total Primary Government Program Expenses</i>	<u>84,633,541</u>	<u>83,817,151</u>	<u>77,943,310</u>	<u>76,756,299</u>
Net (Expense) Revenue				
Governmental Activities	(31,813,939)	(31,597,720)	(31,694,929)	(30,182,979)
Business-Type Activities	<u>2,550,083</u>	<u>(769,812)</u>	<u>(62,254)</u>	<u>1,353,035</u>
<i>Total Primary Government Net Expense</i>	<u>(\$29,263,856)</u>	<u>(\$32,367,532)</u>	<u>(\$31,757,183)</u>	<u>(\$28,829,944)</u>

(continued)

Muskingum County, Ohio
Changes in Net Assets (Continued)
Last Four Years
(Accrual Basis of Accounting)

	2006	2005	2004	2003
<u>General Revenues and Other Changes in Net Assets</u>				
Governmental Activities:				
Property Taxes Levied for General Purposes	\$2,686,036	\$2,629,977	\$2,628,212	\$2,417,067
Property Taxes Levied for Public Safety	396,773	395,525	401,368	381,621
Property Taxes Levied for Health	1,475,270	1,375,532	1,373,067	1,310,675
Property Taxes Levied for Human Services	7,238,605	7,411,572	7,741,265	7,320,364
Sales Taxes, Imposed for General Purposes	14,774,019	14,152,780	13,935,524	13,816,525
Grants and Entitlements not Restricted to Specific Programs	1,921,577	1,801,309	1,808,232	1,830,285
Investment Earnings	3,117,217	1,942,630	1,170,550	1,064,382
Payments in Lieu of Taxes	491,029	794,915	423,048	388,076
Gain on Sale of Capital Assets	632	0	0	0
Miscellaneous	518,725	1,038,882	825,519	767,335
<i>Total Governmental Activities</i>	<u>32,619,883</u>	<u>31,543,122</u>	<u>30,306,785</u>	<u>29,296,330</u>
Business-Type Activities:				
Investment Earnings	43,495	47,928	2,531	42,109
Miscellaneous	64,614	18,723	24,230	44,901
<i>Total Business-Type Activities</i>	<u>108,109</u>	<u>66,651</u>	<u>26,761</u>	<u>87,010</u>
<i>Total Primary Government General Revenues</i>	<u>32,727,992</u>	<u>31,609,773</u>	<u>30,333,546</u>	<u>29,383,340</u>
Increase (Decrease) Before Transfers				
Governmental Activities	805,944	(54,598)	(1,388,144)	(886,649)
Business-Type Activities	2,658,192	(703,161)	(35,493)	1,440,045
<i>Total Primary Government Increase (Decrease) Before Transfers</i>	<u>3,464,136</u>	<u>(757,759)</u>	<u>(1,423,637)</u>	<u>553,396</u>
Tranfers In (Out)				
Governmental Activities	43,824	10,184	(229,169)	(537,210)
Business-Type Activities	(43,824)	(10,184)	229,169	537,210
Increase (Decrease) After Transfers				
Governmental Activities	849,768	(44,414)	(1,617,313)	(1,423,859)
Business-Type Activities	2,614,368	(713,345)	193,676	1,977,255
Restatements	0	1,036,022	570,662	0
<i>Total Primary Government Increase (Decrease) After Transfers</i>	<u>\$3,464,136</u>	<u>\$278,263</u>	<u>(\$852,975)</u>	<u>\$553,396</u>

Muskingum County, Ohio
Program Revenues by Program/Activity
Last Four Years
(Accrual Basis of Accounting)

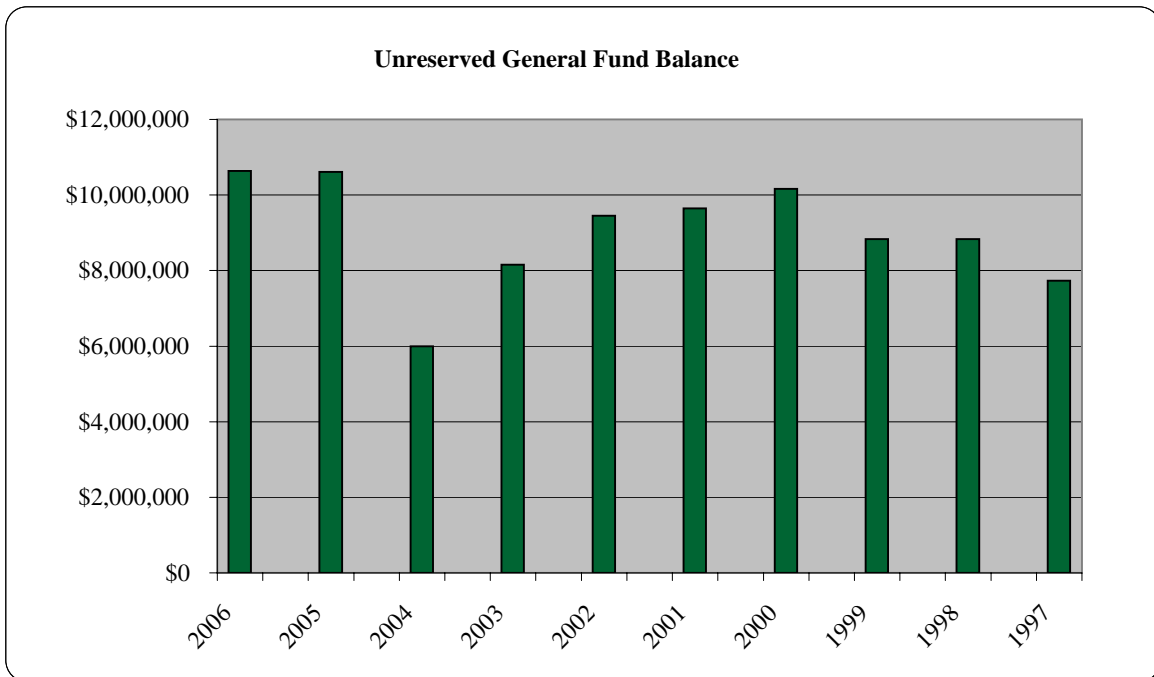
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
<u>Program Revenues</u>				
Governmental Activities:				
General Government:				
Legislative and Executive	\$3,965,286	\$5,392,885	\$4,836,843	\$4,338,022
Judicial	1,358,180	1,304,841	1,297,974	1,010,587
Public Safety	3,162,788	3,905,751	2,861,337	2,530,628
Public Works	8,451,859	8,412,665	5,830,889	6,746,027
Health	653,664	386,471	373,943	299,574
Human Services	28,968,007	25,517,861	24,677,357	25,233,143
Intergovernmental	<u>229,599</u>	<u>223,566</u>	<u>735,443</u>	<u>1,395,414</u>
Total Governmental Activities	<u>46,789,383</u>	<u>45,144,040</u>	<u>40,613,786</u>	<u>41,553,395</u>
Business-Type Activities:				
Sewer	4,376,787	3,288,144	2,870,606	2,643,437
Water	<u>4,203,515</u>	<u>3,017,435</u>	<u>2,701,735</u>	<u>3,729,523</u>
Total Business-Type Activities	<u>8,580,302</u>	<u>6,305,579</u>	<u>5,572,341</u>	<u>6,372,960</u>
<i>Total Primary Government</i>	<u><u>\$55,369,685</u></u>	<u><u>\$51,449,619</u></u>	<u><u>\$46,186,127</u></u>	<u><u>\$47,926,355</u></u>

Muskingum County, Ohio
Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2006	2005	2004	2003	2002 (1)
<u>General Fund</u>					
Reserved	\$383,552	\$344,616	\$285,459	\$516,056	\$1,107,916
Unreserved	10,640,274	10,612,813	5,995,230	8,154,432	9,450,530
<i>Total General Fund</i>	<u>11,023,826</u>	<u>10,957,429</u>	<u>6,280,689</u>	<u>8,670,488</u>	<u>10,558,446</u>
All Other Governmental Funds					
Reserved	3,451,166	3,834,128	3,251,914	3,766,191	4,049,104
Unreserved, Undesignated, Reported in:					
Special Revenue Funds	18,665,137	18,689,737	20,002,563	19,093,502	19,153,345
Debt Service Funds	466,926	417,895	570,417	501,079	1,698,156
Capital Projects Funds	2,011,922	787,770	2,114,397	2,556,707	3,524,949
<i>Total All Other Governmental Funds</i>	<u>24,595,151</u>	<u>23,729,530</u>	<u>25,939,291</u>	<u>25,917,479</u>	<u>28,425,554</u>
Total Governmental Funds	<u><u>\$35,618,977</u></u>	<u><u>\$34,686,959</u></u>	<u><u>\$32,219,980</u></u>	<u><u>\$34,587,967</u></u>	<u><u>\$38,984,000</u></u>

(1) Restated fund balances.

Source: County financial records.



<u>2001 (1)</u>	<u>2000 (1)</u>	<u>1999 (1)</u>	<u>1998 (1)</u>	<u>1997</u>
\$2,792,275	\$1,588,075	\$1,216,949	\$1,277,949	\$1,256,127
9,645,465	10,159,948	8,835,304	8,834,318	7,735,562
<u>12,437,740</u>	<u>11,748,023</u>	<u>10,052,253</u>	<u>10,112,267</u>	<u>8,991,689</u>
3,916,128	2,609,397	8,860,159	1,969,090	765,894
13,701,741	14,544,969	12,609,294	11,357,283	9,303,331
1,909,591	1,775,947	1,743,220	1,259,845	955,353
4,214,166	2,027,324	2,359,051	3,966,771	4,854,206
<u>23,741,626</u>	<u>20,957,637</u>	<u>25,571,724</u>	<u>18,552,989</u>	<u>15,878,784</u>
<u>\$36,179,366</u>	<u>\$32,705,660</u>	<u>\$35,623,977</u>	<u>\$28,665,256</u>	<u>\$24,870,473</u>

Muskingum County, Ohio
Changes in Fund Balances, Governmental Funds
Last Ten Years
(Modified Accrual Basis of Accounting)

	2006	2005	2004	2003	2002 (1)
Revenues					
Property Taxes	\$11,541,314	\$11,850,514	\$12,078,589	\$11,427,537	\$11,172,659
Special Assessments	79,349	84,283	81,692	81,362	152,200
Permissive Sales Taxes	14,718,402	14,101,148	14,013,240	13,733,258	13,592,599
Permissive Motor Vehicle License Tax	458,632	459,755	468,123	0 (2)	0
Charges for Services	9,515,055	8,351,631	8,157,937	7,679,245	6,985,268
Licenses and Permits	473,557	461,996	524,651	484,334	472,190
Fines and Forfeitures	702,511	720,587	640,631	701,211	766,609
Intergovernmental	36,472,179	36,991,223	32,498,473	32,234,244	34,955,974
Interest	3,180,886	1,970,680	1,184,866	1,118,975	1,502,496
Payments in Lieu of Taxes	491,029	794,915	423,048	388,076	360,421
Rent	567,038	572,037	585,811	567,197	598,970
Contributions and Donations	115,213	66,695	45,609	36,471	0
Other	518,835	1,044,022	781,235	328,777	564,803
Total Revenues	78,834,000	77,469,486	71,483,905	68,780,687	71,124,189
Expenditures					
Current:					
General Government:					
Legislative and Executive	9,038,287	10,352,334	10,718,679	10,828,545	10,222,311
Judicial	6,070,880	5,002,932	5,271,766	5,307,299	4,710,982
Public Safety	10,277,448	9,294,114	9,731,514	8,169,253	7,448,024
Public Works	8,456,678	8,851,644	7,026,708	6,997,696	6,448,298
Health	1,196,040	1,223,480	1,172,102	1,264,062	1,086,797
Human Services	37,108,362	36,550,271	34,916,010	33,996,146	33,476,900
Economic Development and Assistance	0	0	273,474	599,198	0
Other	0	0	0	0	4,000
Refund of Property Taxes (3)	0	0	0	0	0
Capital Outlay	2,360,829	901,552	1,150,477	876,696	3,820,691
Intergovernmental	2,827,253	1,502,161	1,814,782	3,181,411	1,662,730
Debt Service:					
Principal Retirement	1,109,498	986,730	1,159,173	1,033,840	1,081,299
Payment to Refunded Bond Escrow Agent	0	0	0	1,176,000	0
Interest and Fiscal Charges	802,685	828,180	846,140	1,003,441	1,060,719
Bond Issuance Costs	9,731	0	0	0	0
Total Expenditures	79,257,691	75,493,398	74,080,825	74,433,587	71,022,751
Excess of Revenues Over(Under) Expenditures	(423,691)	1,976,088	(2,596,920)	(5,652,900)	101,438
Other Financing Sources (Uses)					
Proceeds from the Sale of Capital Assets	15,959	18,560	16,140	5,685	177,228
Inception of Capital Lease	435,023	91,500	177,820	25,017	69,912
Refunding Bonds Issued	0	0	0	281,000	0
General Obligation Bonds Issued	860,000	0	0	0	2,970,000
Premium on General Obligations Bonds Issued	903	0	0	0	0
Payment to Refunded Bond Escrow Agent	0	0	0	(273,251)	0
Transfers In	5,675,061	4,910,144	6,893,710	4,970,298	3,749,218
Transfers Out	(5,631,237)	(4,529,313)	(6,858,737)	(3,751,882)	(5,523,039)
Total Other Financing Sources (Uses)	1,355,709	490,891	228,933	1,256,867	1,443,319
Restatements	0	0	0	0	1,259,877
Net Change in Fund Balances	\$932,018	\$2,466,979	(\$2,367,987)	(\$4,396,033)	\$2,804,634
Debt Service as a Percentage of					
Noncapital Expenditures	2.6%	2.5%	3.0%	3.2%	3.3%

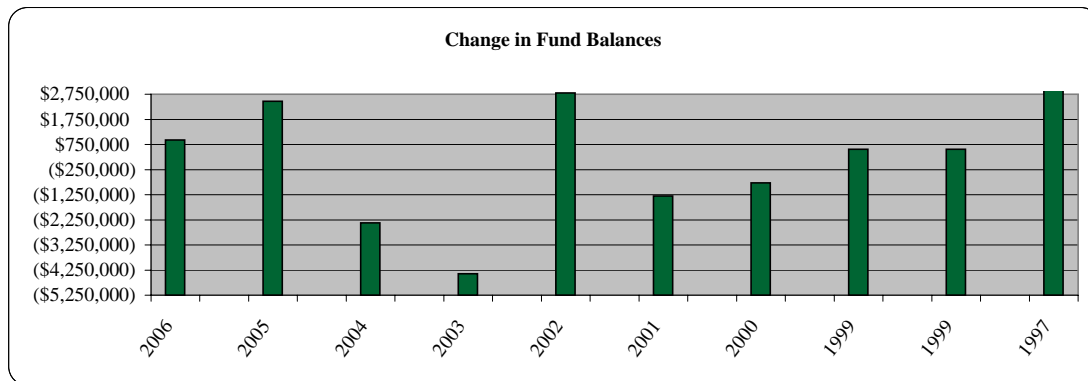
(1) Restated fund balances.

(2) In previous years, this amount was presented as part of intergovernmental revenue.

(3) Represents refunds of overpayments of property taxes.

2001 (1)	2000 (1)	1999 (1)	1998 (1)	1997
\$11,844,518	\$11,942,982	\$10,994,058	\$10,423,478	\$9,915,697
155,040	158,555	166,026	169,511	173,877
13,246,444	13,460,706	12,443,482	11,643,851	10,876,779
0	0	0	0	0
6,917,108	4,916,347	4,916,318	4,620,348	3,878,596
461,370	453,634	460,647	663,625	457,152
583,213	528,464	680,074	569,867	560,134
37,477,218	31,870,095	26,026,984	23,503,715	20,539,534
2,541,227	3,051,224	2,490,337	2,066,583	1,666,817
393,154	93,652	94,349	88,232	82,059
914,550	258,603	258,385	352,274	343,458
0	0	0	78,353	1,164
681,329	362,838	307,589	142,301	177,976
<u>75,215,171</u>	<u>67,097,100</u>	<u>58,838,249</u>	<u>54,322,138</u>	<u>48,673,243</u>
9,354,515	8,486,836	7,333,296	6,198,091	6,091,276
4,298,202	3,371,481	2,778,603	2,637,207	2,497,658
7,122,080	6,577,647	6,256,357	5,693,644	4,940,871
6,108,478	6,714,462	4,710,733	4,716,899	4,785,526
1,049,478	980,906	983,309	662,005	858,300
36,837,751	29,997,228	26,628,906	22,552,590	18,489,281
0	0	0	0	0
4,000	4,000	4,000	2,600	2,810
0	18,664	32,030	37,432	23,877
2,309,450	10,458,582	7,362,288	2,469,693	3,334,942
1,570,241	1,674,831	1,620,793	3,242,232	1,580,185
1,519,355	1,447,764	1,081,560	984,337	919,218
0	0	0	854,348	0
1,131,128	1,234,326	1,153,468	0	1,006,020
0	0	0	128,265	0
<u>71,304,678</u>	<u>70,966,727</u>	<u>59,945,343</u>	<u>50,179,343</u>	<u>44,529,964</u>
<u>3,910,493</u>	<u>(3,869,627)</u>	<u>(1,107,094)</u>	<u>4,142,795</u>	<u>4,143,279</u>
48,063	36,857	38,405	36,674	21,365
0	62,500	0	8,638	171,808
0	0	0	6,894,828	0
0	0	9,000,000	0	0
0	0	0	0	0
0	0	0	(6,760,654)	0
3,796,275	5,312,190	6,389,267	5,039,878	6,597,041
(4,526,988)	(4,480,978)	(7,481,789)	(5,295,677)	(6,849,267)
<u>(682,650)</u>	<u>930,569</u>	<u>7,945,883</u>	<u>(76,313)</u>	<u>(59,053)</u>
<u>245,863</u>	<u>20,741</u>	<u>119,932</u>	<u>(271,699)</u>	<u>0</u>
<u>\$3,473,706</u>	<u>(\$2,918,317)</u>	<u>\$6,958,721</u>	<u>\$3,794,783</u>	<u>\$4,084,226</u>

4.0% 4.6% 4.4% 2.4% 4.9%



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Muskingum County, Ohio
 Taxable Sales by Industry (Category)
 Current Year

	2006
Effective Rate as of December 31, 2006	1.50%
Effective Date of Current Tax Rate	April 1, 1993
<u>Collections by Industry:</u>	
Agriculture, Forestry, and Fishing	\$6,717
Utilities (excluding telecommunications)	51,011
Construction	17,898
Manufacturing	128,645
Wholesale Trade	303,893
Retail Trade:	
Motor Vehicle and Parts Dealers (2)	2,437,854
Furniture and Home Furnishings Store	312,216
Electronic and Appliance Stores	248,536
Building Material and Garden Equipment and Supplies	1,497,703
Food and Beverage Stores	551,480
Health and Personal Care Stores	319,659
Gasoline Stations	380,988
Clothing and Clothing Accessories Stores	675,069
Sporting Goods, Hobby, Book, and Music Stores	233,510
General Merchandise Stores	2,488,689
Miscellaneous Store Retailers	1,967,491
Nonstore Retailers	215,808
Transportation and Warehousing	6,244
Information (including telecommunications)	682,960
Finance and Insurance	20,718
Real Estate, and Rental and Leasing of Property	312,494
Professional, Scientific and Technical Services	108,452
Administrative and Support Services, and Waste Management and Remediation Services	298,326
Education, Health Care and Social Assistance	50,737
Arts, Entertainment, and Recreation	10,269
Accommodation and Food Services	1,116,064
Other Services	257,441
Unclassified (3)	73,147
 Total Collections (4)	 \$14,774,019

- (1) Information prior to 2006 not available.
- (2) Sales tax on sales of motor vehicle and watercraft, which is paid via the county clerk of courts, is included in this figure. Thus, tax collected from dealer sales as well as "casual" (consumer-to-consumer) sales are included.
- (3) Industry data is not provided when there are either no businesses within the particular industry or the number of businesses within the industry fall below the reporting threshold. The collections are instead folded into the "Unclassified" category.
- (4) Collections are on a cash basis.

Source: Ohio Department of Taxation

Muskingum County, Ohio
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

Collection Year	Real Property			Tangible Personal Property	
	Assessed Value		Estimated Actual Value	Public Utility	
	Residential/ Agricultural	Commercial/ Industrial/ Public Utility/ Mineral		Assessed Value	Estimated Actual Value
2006	\$931,356,480	\$265,371,820	\$3,419,223,714	\$79,420,980	\$226,917,086
2005	931,356,480	264,714,230	3,417,344,886	80,144,210	228,983,457
2004	907,209,640	256,141,210	3,323,859,571	78,147,450	223,278,429
2003	889,187,820	247,142,500	3,246,658,057	77,451,290	221,289,400
2002	822,412,390	225,901,470	2,995,182,457	78,281,320	223,660,914
2001	806,605,230	220,293,140	2,933,995,343	71,615,740	204,616,400
2000	791,604,750	216,144,440	2,879,283,400	99,203,390	283,438,257
1999	606,434,560	183,566,630	2,257,146,257	95,951,950	274,148,429
1998	593,971,220	175,665,350	2,198,961,629	100,536,540	287,247,257
1997	581,059,110	176,185,810	2,163,556,914	99,071,260	283,060,743

Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

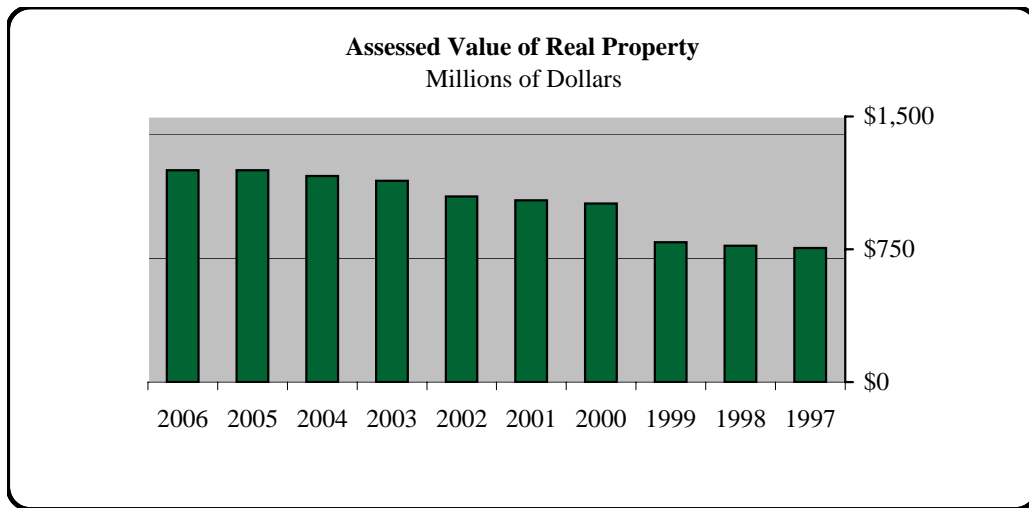
The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. The general business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75 percent for 2006, 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10 percent, 2 1/2 percent and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10 percent rollback for commercial/ industrial property has been eliminated.

Values are shown net of exempt property.

Source: Muskingum County Auditor

Tangible Personal Property		General Business			Total		Weighted Average Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Ratio			
\$81,172,633	\$432,920,709	\$1,357,321,913	\$4,079,061,509	33%	\$9.16		
108,271,331	433,085,324	1,384,486,251	4,079,413,667	34	\$9.62		
139,516,375	558,065,500	1,381,014,675	4,105,203,500	34	\$9.71		
140,783,708	563,134,832	1,354,565,318	4,031,082,289	34	\$10.06		
149,138,885	596,555,540	1,275,734,065	3,815,398,911	33	\$10.10		
149,599,655	598,398,620	1,248,113,765	3,737,010,363	33	\$10.49		
139,035,055	556,140,220	1,245,987,635	3,718,861,877	34	\$11.75		
127,515,839	510,063,356	1,013,468,979	3,041,358,042	33	\$11.87		
129,957,914	519,831,656	1,000,131,024	3,006,040,542	33	\$11.63		
127,931,535	511,726,140	984,247,715	2,958,343,797	33	\$12.01		



Muskingum County, Ohio
Property Tax Rates, Direct and Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Years (1)

	2006	2005	2004	2003	2002
<u>Unvoted Millage</u>					
Operating	\$2.150000	\$2.150000	\$2.150000	\$2.150000	\$2.150000
<u>Voted Millage - by levy</u>					
1976 MRDD					
Residential/Agricultural Real	0.185382	0.185350	0.185354	0.196240	0.196187
Commercial/Industrial/Public Utility/Mineral Real	0.349062	0.347282	0.345625	0.365586	0.365567
General Business/Public Utility Personal	1.000000	1.000000	1.000000	1.000000	1.000000
1980 MRDD					
Residential/Agricultural Real	0.755970	0.755842	0.755858	0.800250	0.800034
Commercial/Industrial/Public Utility/Mineral Real	1.116886	1.111190	1.105888	1.169758	1.169698
General Business/Public Utility Personal	2.000000	2.000000	2.000000	2.000000	2.000000
1989 Library Bond					
Residential/Agricultural Real	0.000000	0.000000	0.000000	0.000000	0.100000
Commercial/Industrial/Public Utility/Mineral Real	0.000000	0.000000	0.000000	0.000000	0.100000
General Business/Public Utility Personal	0.000000	0.000000	0.000000	0.000000	0.100000
1994 MRDD					
Residential/Agricultural Real	1.059020	1.058842	1.058866	1.121054	1.120752
Commercial/Industrial/Public Utility/Mineral Real	1.474336	1.466818	1.459820	1.544132	1.544054
General Business/Public Utility Personal	2.000000	2.000000	2.000000	2.000000	2.000000
1994 Sheriff Operations					
Residential/Agricultural Real	0.264755	0.264711	0.264717	0.280264	0.280188
Commercial/Industrial/Public Utility/Mineral Real	0.368584	0.366705	0.364955	0.386033	0.386014
General Business/Public Utility Personal	0.500000	0.500000	0.500000	0.500000	0.500000
1995 Children Services					
Residential/Agricultural Real	0.000000	1.255632	1.255660	1.329406	1.329048
Commercial/Industrial/Public Utility/Mineral Real	0.000000	1.555526	1.548104	1.637514	1.637432
General Business/Public Utility Personal	0.000000	2.000000	2.000000	2.000000	2.000000
1998 Mental Health					
Residential/Agricultural Real	0.735641	0.735517	0.735533	0.778732	0.778522
Commercial/Industrial/Public Utility/Mineral Real	0.828280	0.824056	0.820125	0.867491	0.867447
General Business/Public Utility Personal	1.000000	1.000000	1.000000	1.000000	1.000000
2002 Senior Services					
Residential/Agricultural Real	0.472332	0.472253	0.472263	0.500000	0.332262
Commercial/Industrial/Public Utility/Mineral Real	0.477400	0.474965	0.472699	0.500000	0.409391
General Business/Public Utility Personal	0.500000	0.500000	0.500000	0.500000	0.500000
2005 T.B. Clinic					
Residential/Agricultural Real	0.400000	0.294588	0.294594	0.311896	0.311812
Commercial/Industrial/Public Utility/Mineral Real	0.400000	0.329622	0.328050	0.346996	0.346979
General Business/Public Utility Personal	0.400000	0.400000	0.400000	0.400000	0.400000
2005 County Home					
Residential/Agricultural Real	2.500000	1.472940	1.472972	1.559482	1.559062
Commercial/Industrial/Public Utility/Mineral Real	2.500000	1.648112	1.640250	1.734982	1.734894
General Business/Public Utility Personal	2.500000	2.000000	2.000000	2.000000	2.000000
<u>Total Voted Millage - By Type of Property</u>					
Residential/Agricultural Real	6.373100	6.495675	6.495817	6.877324	6.807867
Commercial/Industrial/Public Utility/Mineral Real	7.514548	8.124276	8.085516	8.552492	8.561476
General Business/Public Utility Personal	9.900000	11.400000	11.400000	11.400000	11.500000
<u>Total Millage By Type of Property</u>					
Residential/Agricultural Real	8.523100	8.645675	8.645817	9.027324	8.957867
Commercial/Industrial/Public Utility/Mineral Real	9.664548	10.274276	10.235516	10.702492	10.711476
General Business/Public Utility Personal	12.050000	13.550000	13.550000	13.550000	13.650000

(1) Property tax rates shown are based on the year of collection.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Source: Muskingum County Auditor

2001	2000	1999	1998	1997
\$2.150000	\$2.150000	\$2.150000	\$2.150000	\$2.150000
0.195957	0.251671	0.251860	0.251997	0.295227
0.364954	0.421427	0.421364	0.419475	0.446474
1.000000	1.000000	1.000000	1.000000	1.000000
0.799098	1.026298	1.027070	1.027628	1.203916
1.167738	1.348436	1.348236	1.342192	1.428580
2.000000	2.000000	2.000000	2.000000	2.000000
0.500000	0.700000	0.700000	0.700000	0.700000
0.500000	0.700000	0.700000	0.700000	0.700000
0.500000	0.700000	0.700000	0.700000	0.700000
1.119442	1.437724	1.438804	1.439586	1.686546
1.541468	1.779998	1.779734	1.771754	1.885790
2.000000	2.000000	2.000000	2.000000	2.000000
0.279861	0.359431	0.359701	0.359897	0.421637
0.385367	0.445000	0.444934	0.442939	0.471448
0.500000	0.500000	0.500000	0.500000	0.500000
1.327494	1.704930	1.706212	1.707140	2.000000
1.634690	1.887644	1.887364	1.878902	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000
0.777612	0.998705	0.999456	0.620820	0.727321
0.865994	1.000000	1.000000	0.800509	0.852033
1.000000	1.000000	1.000000	1.000000	1.000000
0.331874	0.426233	0.426553	0.426785	0.000000
0.408706	0.471950	0.471880	0.469764	0.000000
0.500000	0.500000	0.500000	0.500000	0.000000
0.311448	0.340986	0.341242	0.341428	0.400000
0.346398	0.377529	0.377473	0.375780	0.400000
0.400000	0.400000	0.400000	0.400000	0.400000
1.557240	1.437724	1.438804	1.439586	1.686546
1.731988	1.779998	1.779734	1.771754	1.885790
2.000000	2.000000	2.000000	2.000000	2.000000
7.200026	8.683702	8.689702	8.314867	9.121193
8.947303	10.211982	10.210719	9.973069	10.070115
11.900000	12.100000	12.100000	12.100000	11.600000
9.350026	10.833702	10.839702	10.464867	11.271193
11.097303	12.361982	12.360719	12.123069	12.220115
14.050000	14.250000	14.250000	14.250000	13.750000

(continued)

Muskingum County, Ohio
Property Tax Rates, Direct and Overlapping Governments (Continued)
(per \$1,000 of assessed value)
Last Ten Years (1)

	2006	2005	2004	2003	2002
<u>Overlapping Rates by Taxing District</u>					
<u>Special Districts</u>					
Muskingum County General Health District					
Residential/Agricultural Real	1.312485	1.312264	1.577010	0.669630	0.669449
Commercial/Industrial/Public Utility/Mineral Real	1.368919	1.356958	1.720416	0.819779	0.819738
General Business/Public Utility Personal	1.500000	1.500000	2.000000	1.000000	1.000000
<u>School Districts</u>					
East Muskingum Local Schools					
Residential/Agricultural Real	27.256885	27.158378	27.958434	28.200637	28.401910
Commercial/Industrial/Public Utility/Mineral Real	28.259392	28.182104	28.919637	29.228597	29.429303
General Business/Public Utility Personal	39.110000	39.010000	39.810000	39.810000	40.010000
Franklin Local Schools					
Residential/Agricultural Real	24.474252	24.693624	25.087114	24.025504	24.041268
Commercial/Industrial/Public Utility/Mineral Real	24.941178	25.401250	25.463281	24.742780	24.344510
General Business/Public Utility Personal	37.650000	37.850000	38.250000	37.100000	37.100000
Maysville Local Schools					
Residential/Agricultural Real	22.879407	22.973248	23.171321	23.414934	23.514505
Commercial/Industrial/Public Utility/Mineral Real	23.516904	23.007215	23.175253	23.400013	23.500013
General Business/Public Utility Personal	40.350000	40.450000	40.650000	40.850000	40.950000
Tri-Valley Local Schools					
Residential/Agricultural Real	24.976979	24.975427	24.972244	25.024815	24.912613
Commercial/Industrial/Public Utility/Mineral Real	25.362713	25.362713	24.980812	25.003058	24.900009
General Business/Public Utility Personal	40.550000	40.550000	40.550000	40.550000	40.450000
West Muskingum Local Schools					
Residential/Agricultural Real	26.000012	26.100018	26.100027	28.690022	22.608637
Commercial/Industrial/Public Utility/Mineral Real	26.048178	26.154617	26.100012	28.693449	22.606692
General Business/Public Utility Personal	43.900000	44.000000	44.000000	46.590000	40.500000
Zanesville City Schools					
Residential/Agricultural Real	28.952389	29.350022	29.250007	29.461812	23.979455
Commercial/Industrial/Public Utility/Mineral Real	30.238922	30.602888	30.553458	31.997496	26.517496
General Business/Public Utility Personal	48.900000	49.300000	49.200000	49.380000	43.900000
<u>Out of County School Districts</u>					
Licking Valley Local Schools					
Residential/Agricultural Real	25.400016	26.030019	26.100018	26.280006	27.480006
Commercial/Industrial/Public Utility/Mineral Real	25.400013	26.030006	26.100014	26.280013	27.480016
General Business/Public Utility Personal	36.300000	36.930000	37.000000	37.180000	38.380000
Morgan Local Schools					
Residential/Agricultural Real	23.420691	23.421302	23.821984	23.358996	23.279507
Commercial/Industrial/Public Utility/Mineral Real	27.227286	27.230845	27.630845	27.272304	27.205300
General Business/Public Utility Personal	35.970000	35.970000	36.370000	35.860000	35.780000
Riverview Local Schools					
Residential/Agricultural Real	21.164131	21.184100	21.168821	21.312863	21.330812
Commercial/Industrial/Public Utility/Mineral Real	23.508785	23.284704	23.022455	25.034588	25.384562
General Business/Public Utility Personal	31.300000	31.300000	31.300000	31.300000	31.300000
Rolling Hills Local Schools					
Residential/Agricultural Real	29.031969	29.034045	29.382748	31.397980	31.550000
Commercial/Industrial/Public Utility/Mineral Real	29.025634	29.024964	29.372358	31.383896	31.549475
General Business/Public Utility Personal	29.100000	29.100000	29.450000	31.400000	31.550000

(1) Property tax rates shown are based on the year of collection.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Source: Muskingum County Auditor

2001	2000	1999	1998	1997
0.668667	0.858784	0.859429	0.670307	0.785298
0.818364	0.945000	0.944934	0.843194	0.897465
1.000000	1.000000	1.000000	1.000000	1.000000
28.402059	25.898834	26.093606	26.017625	27.080311
29.280522	26.489122	26.682381	26.638429	27.392701
40.010000	36.810000	37.010000	37.010000	37.610000
24.032831	25.372978	25.587905	25.585728	25.719309
24.446896	27.137610	27.438238	27.446765	27.943861
37.100000	38.200000	38.400000	38.400000	38.400000
23.500008	23.910370	23.904666	20.000013	20.001548
23.500013	26.143133	26.143133	22.243133	23.534396
40.950000	41.350000	41.350000	37.450000	37.450000
20.000012	20.000004	20.000005	20.000020	20.008623
20.000008	20.638947	20.741214	20.765844	20.832726
35.550000	35.550000	35.550000	35.550000	35.550000
22.700008	23.200008	23.503712	23.600027	24.000027
22.700003	23.523970	23.834065	23.600018	24.039323
40.600000	41.100000	41.400000	41.500000	41.900000
23.750012	27.946612	27.341575	28.034611	31.933434
26.276899	29.708635	29.062752	29.751960	31.904138
43.700000	44.450000	43.850000	44.550000	44.950000
27.580014	28.000005	28.800071	20.000018	20.000014
27.701346	28.000017	28.800018	20.000018	20.000018
38.480000	38.900000	39.700000	30.900000	30.900000
23.260011	24.565431	21.336566	21.346633	22.250984
27.186245	27.110388	23.861280	23.876954	24.406166
35.760000	35.760000	32.500000	32.500000	32.500000
21.314495	21.767045	21.852029	21.838644	25.714795
25.108608	25.108608	25.108490	24.366255	26.582686
31.300000	31.300000	31.300000	31.300000	31.300000
32.160000	33.340000	33.340000	34.090000	40.250000
32.160000	33.340000	33.340000	34.090000	40.250000
32.160000	33.340000	33.340000	34.090000	40.250000

(continued)

Muskingum County, Ohio
Property Tax Rates, Direct and Overlapping Governments (Continued)
(per \$1,000 of assessed value)
Last Ten Years (1)

	2006	2005	2004	2003	2002
<u>Overlapping Rates by Taxing District</u>					
<u>Joint Vocational School Districts</u>					
Mid-East Ohio Career and Technology Centers					
Residential/Agricultural Real	1.999999	2.000002	2.000002	1.999608	2.000882
Commercial/Industrial/Public Utility/Mineral Real	1.999633	2.007883	1.993825	2.086969	2.094114
General Business/Public Utility Personal	3.200000	3.200000	3.200000	3.200000	3.200000
Coshocton County Career Center					
Residential/Agricultural Real	2.249843	2.253910	2.255703	2.490798	2.498803
Commercial/Industrial/Public Utility/Mineral Real	2.255945	2.251873	2.205218	2.498968	2.500000
General Business/Public Utility Personal	2.500000	2.500000	2.500000	2.500000	2.500000
Career and Technology Education Centers of Licking County					
Residential/Agricultural Real	3.000000	3.000000	2.800000	3.000000	2.000000
Commercial/Industrial/Public Utility/Mineral Real	3.000000	3.000000	2.800000	3.000000	2.000000
General Business/Public Utility Personal	3.000000	3.000000	2.800000	3.000000	2.000000
<u>Corporations</u>					
Adamsville					
Residential/Agricultural Real	2.650000	2.650000	2.650000	2.650000	2.650000
Commercial/Industrial/Public Utility/Mineral Real	2.650000	2.650000	2.650000	2.650000	2.650000
General Business/Public Utility Personal	2.650000	2.650000	2.650000	2.650000	2.650000
Dresden - Cass Township					
Residential/Agricultural Real	3.900000	4.100000	3.900000	3.900000	3.900000
Commercial/Industrial/Public Utility/Mineral Real	3.900000	4.100000	3.900000	3.900000	3.900000
General Business/Public Utility Personal	3.900000	4.100000	3.900000	3.900000	3.900000
Dresden - Jefferson Township					
Residential/Agricultural Real	4.850000	5.050000	4.850000	4.850000	4.850000
Commercial/Industrial/Public Utility/Mineral Real	4.850000	5.050000	4.850000	4.850000	4.850000
General Business/Public Utility Personal	4.850000	5.050000	4.850000	4.850000	4.850000
Frazeytsburg					
Residential/Agricultural Real	6.601050	5.247502	5.243822	5.324081	5.324081
Commercial/Industrial/Public Utility/Mineral Real	6.882154	5.946570	5.946570	6.136700	6.136700
General Business/Public Utility Personal	7.150000	7.150000	7.150000	7.150000	7.150000
Fultonham					
Residential/Agricultural Real	2.200000	2.200000	2.200000	2.200000	2.200000
Commercial/Industrial/Public Utility/Mineral Real	2.200000	2.200000	2.200000	2.200000	2.200000
General Business/Public Utility Personal	2.200000	2.200000	2.200000	2.200000	2.200000
Gratiot					
Residential/Agricultural Real	1.200000	1.200000	1.200000	1.200000	1.200000
Commercial/Industrial/Public Utility/Mineral Real	1.200000	1.200000	1.200000	1.200000	1.200000
General Business/Public Utility Personal	1.200000	1.200000	1.200000	1.200000	1.200000
New Concord					
Residential/Agricultural Real	6.300000	5.639110	5.639110	5.807338	5.807338
Commercial/Industrial/Public Utility/Mineral Real	6.300000	6.174474	6.174474	6.300000	6.300000
General Business/Public Utility Personal	6.300000	6.300000	6.300000	6.300000	6.300000
Norwich					
Residential/Agricultural Real	7.535780	7.480780	7.480780	5.937375	5.937375
Commercial/Industrial/Public Utility/Mineral Real	7.429205	7.429205	7.429205	6.886065	6.886065
General Business/Public Utility Personal	7.800000	7.800000	7.800000	7.800000	7.800000

(1) Property tax rates shown are based on the year of collection.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Source: Muskingum County Auditor

2001	2000	1999	1998	1997
2.000002	1.999782	2.003969	2.000002	1.999717
2.086347	2.335867	2.340140	2.321761	2.479934
3.200000	3.200000	3.200000	3.200000	3.200000
2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000
2.000000	2.000000	2.000000	2.000000	2.000000
2.650000	2.650000	2.650000	2.650000	2.650000
2.650000	2.650000	2.650000	2.650000	2.650000
2.650000	2.650000	2.650000	2.650000	2.650000
4.000000	3.700000	3.700000	3.700000	4.100000
4.000000	3.700000	3.700000	3.700000	4.100000
4.000000	3.700000	3.700000	3.700000	4.100000
4.950000	4.650000	4.650000	4.650000	5.050000
4.950000	4.650000	4.650000	4.650000	5.050000
4.950000	4.650000	4.650000	4.650000	5.050000
5.321782	3.320272	3.320272	3.320272	3.556196
6.136700	3.615530	3.615530	3.615530	3.615530
7.150000	5.150000	5.150000	5.150000	5.150000
2.200000	2.200000	2.200000	2.200000	2.200000
2.200000	2.200000	2.200000	2.200000	2.200000
2.200000	2.200000	2.200000	2.200000	2.200000
1.200000	1.200000	1.200000	1.200000	1.200000
1.200000	1.200000	1.200000	1.200000	1.200000
1.200000	1.200000	1.200000	1.200000	1.200000
5.806314	5.752112	5.749408	5.747414	6.300000
6.300000	5.976163	5.976163	5.976163	6.300000
6.300000	6.300000	6.300000	6.300000	6.300000
5.937375	7.800000	6.594945	6.594945	7.190180
6.886065	7.800000	6.747930	6.747930	6.776535
7.800000	7.800000	7.800000	7.800000	7.800000

(continued)

Muskingum County, Ohio
Property Tax Rates, Direct and Overlapping Governments (Continued)
(per \$1,000 of assessed value)
Last Ten Years (1)

	2006	2005	2004	2003	2002
<u>Overlapping Rates by Taxing District</u>					
<u>Corporations</u>					
Philo					
Residential/Agricultural Real	6.605225	6.605225	4.103807	6.038554	6.038554
Commercial/Industrial/Public Utility/Mineral Real	7.227603	7.227603	4.727603	7.998406	7.998406
General Business/Public Utility Personal	10.050000	10.050000	7.550000	11.650000	11.650000
Roseville					
Residential/Agricultural Real	7.226932	7.758613	7.717947	7.923810	8.269079
Commercial/Industrial/Public Utility/Mineral Real	9.399673	10.259915	10.260479	10.588666	9.740365
General Business/Public Utility Personal	10.800000	10.800000	10.800000	10.800000	10.800000
South Zanesville					
Residential/Agricultural Real	2.750000	2.750000	2.750000	2.750000	2.750000
Commercial/Industrial/Public Utility/Mineral Real	2.750000	2.750000	2.750000	2.750000	2.750000
General Business/Public Utility Personal	2.750000	2.750000	2.750000	2.750000	2.750000
Zanesville - Zanesville City Schools and and Tri-Valley Local Schools					
Residential/Agricultural Real	3.400000	3.400000	3.400000	3.400000	3.400000
Commercial/Industrial/Public Utility/Mineral Real	3.400000	3.400000	3.400000	3.400000	3.400000
General Business/Public Utility Personal	3.400000	3.400000	3.400000	3.400000	3.400000
Zanesville - West Muskingum Local Schools					
Residential/Agricultural Real	2.850000	2.850000	2.850000	2.850000	2.850000
Commercial/Industrial/Public Utility/Mineral Real	2.850000	2.850000	2.850000	2.850000	2.850000
General Business/Public Utility Personal	2.850000	2.850000	2.850000	2.850000	2.850000
Zanesville - Falls Township (2)					
Residential/Agricultural Real	0.400000	0.400000	0.400000	0.400000	0.400000
Commercial/Industrial/Public Utility/Mineral Real	0.400000	0.400000	0.400000	0.400000	0.400000
General Business/Public Utility Personal	0.400000	0.400000	0.400000	0.400000	0.400000
<u>Townships</u>					
Adams					
Residential/Agricultural Real	4.298281	4.298281	4.298281	3.999401	3.999401
Commercial/Industrial/Public Utility/Mineral Real	4.350000	4.350000	4.349032	4.345936	4.345936
General Business/Public Utility Personal	4.350000	4.350000	4.350000	4.350000	4.350000
Blue Rock					
Residential/Agricultural Real	3.676537	3.676462	4.343037	4.408252	4.277610
Commercial/Industrial/Public Utility/Mineral Real	3.689317	3.689317	4.366092	4.395346	4.273484
General Business/Public Utility Personal	3.700000	3.700000	4.700000	4.700000	4.700000
Brush Creek					
Residential/Agricultural Real	2.900000	2.900000	2.900000	2.900000	2.900000
Commercial/Industrial/Public Utility/Mineral Real	2.900000	2.900000	2.900000	2.900000	2.900000
General Business/Public Utility Personal	2.900000	2.900000	2.900000	2.900000	2.900000
Cass					
Residential/Agricultural Real	3.214928	3.214928	3.214928	3.250000	2.750000
Commercial/Industrial/Public Utility/Mineral Real	3.235447	3.235447	3.235447	3.250000	2.750000
General Business/Public Utility Personal	3.250000	3.250000	3.250000	3.250000	2.750000
Clay					
Residential/Agricultural Real	3.211291	3.211291	3.211291	3.250000	2.500000
Commercial/Industrial/Public Utility/Mineral Real	3.244059	3.244059	3.244059	3.250000	2.500000
General Business/Public Utility Personal	3.250000	3.250000	3.250000	3.250000	2.500000

- (1) Property tax rates shown are based on the year of collection.
(2) Formerly Mid-East Joint Vocational School
(3) New District Created by annexation.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Source: Muskingum County Auditor

2001	2000	1999	1998	1997
6.033174	7.139203	7.139203	7.139203	7.985426
7.998406	8.515921	8.515921	8.515921	8.515921
11.650000	11.650000	11.650000	11.650000	11.650000
8.224395	9.177354	0.000000	9.917376	7.905328
9.963534	10.306715	0.000000	10.539306	8.420071
10.800000	10.800000	0.000000	10.800000	10.800000
2.750000	2.750000	2.750000	2.750000	2.750000
2.750000	2.750000	2.750000	2.750000	2.750000
2.750000	2.750000	2.750000	2.750000	2.750000
3.400000	3.400000	3.400000	3.400000	3.400000
3.400000	3.400000	3.400000	3.400000	3.400000
3.400000	3.400000	3.400000	3.400000	3.400000
2.850000	2.850000	2.850000	2.850000	2.850000
2.850000	2.850000	2.850000	2.850000	2.850000
2.850000	2.850000	2.850000	2.850000	2.850000
0.400000	0.400000	0.000000	0.000000	0.000000
0.400000	0.400000	0.000000	0.000000	0.000000
0.400000	0.400000	0.000000	0.000000	0.000000
3.998719	4.336410	4.346594	4.178639	4.221144
4.345936	4.350000	4.350000	4.298704	4.298427
4.350000	4.350000	4.350000	4.350000	4.350000
4.276723	4.681527	3.681527	3.681527	3.383789
4.273484	4.700000	3.700000	3.700000	3.450101
4.700000	4.700000	3.700000	3.700000	3.700000
2.900000	2.900000	2.900000	2.900000	2.900000
2.900000	2.900000	2.900000	2.900000	2.900000
2.900000	2.900000	2.900000	2.900000	2.900000
2.750000	3.132108	3.133445	3.134252	3.246729
2.750000	3.249415	3.250000	3.250000	3.250000
2.750000	3.250000	3.250000	3.250000	3.250000
3.004138	3.175786	3.175786	3.174870	3.227150
3.131535	3.317071	3.317071	3.317071	3.270880
3.500000	3.500000	3.500000	3.500000	3.500000

(continued)

Muskingum County, Ohio
Property Tax Rates, Direct and Overlapping Governments (Continued)
(per \$1,000 of assessed value)
Last Ten Years (1)

	2006	2005	2004	2003	2002
<u>Overlapping Rates by Taxing District</u>					
<u>Townships</u>					
Falls					
Residential/Agricultural Real	3.572764	3.572658	3.572346	3.446994	3.446949
Commercial/Industrial/Public Utility/Mineral Real	3.596499	3.599318	3.599318	3.411654	3.411654
General Business/Public Utility Personal	3.650000	3.650000	3.650000	3.650000	3.650000
Harrison					
Residential/Agricultural Real	10.101755	10.101755	10.095799	10.452011	7.819756
Commercial/Industrial/Public Utility/Mineral Real	11.731210	11.422050	11.369498	11.495038	9.852906
General Business/Public Utility Personal	11.800000	11.800000	11.800000	11.800000	10.300000
Highland					
Residential/Agricultural Real	4.345479	4.345479	4.345479	4.400000	4.088063
Commercial/Industrial/Public Utility/Mineral Real	4.397820	4.397820	4.397820	4.400000	4.239710
General Business/Public Utility Personal	4.400000	4.400000	4.400000	4.400000	4.400000
Hopewell					
Residential/Agricultural Real	3.623537	3.623391	3.623391	3.665779	3.665718
Commercial/Industrial/Public Utility/Mineral Real	3.965696	3.965696	3.906720	3.962439	3.962439
General Business/Public Utility Personal	4.850000	4.850000	4.850000	4.850000	4.850000
Jackson					
Residential/Agricultural Real	6.112627	5.111429	5.754449	5.927056	5.395276
Commercial/Industrial/Public Utility/Mineral Real	6.303894	5.303894	6.070143	6.251213	6.009983
General Business/Public Utility Personal	6.850000	5.850000	6.850000	6.850000	6.850000
Jefferson					
Residential/Agricultural Real	4.900000	2.400000	2.400000	2.400000	2.400000
Commercial/Industrial/Public Utility/Mineral Real	4.900000	2.400000	2.400000	2.400000	2.400000
General Business/Public Utility Personal	4.900000	2.400000	2.400000	2.400000	2.400000
Licking					
Residential/Agricultural Real	5.803462	5.803049	5.057183	5.178768	4.176704
Commercial/Industrial/Public Utility/Mineral Real	6.084303	6.084303	5.519400	5.603882	4.603882
General Business/Public Utility Personal	6.250000	6.250000	5.750000	5.750000	4.750000
Madison					
Residential/Agricultural Real	3.984481	3.984481	3.979906	2.081283	2.081283
Commercial/Industrial/Public Utility/Mineral Real	4.000000	4.000000	4.000000	2.398738	2.398738
General Business/Public Utility Personal	4.000000	4.000000	4.000000	2.400000	2.400000
Meigs					
Residential/Agricultural Real	3.874116	3.874116	3.874116	3.941319	3.941319
Commercial/Industrial/Public Utility/Mineral Real	4.227154	4.227154	4.227154	4.228482	4.228482
General Business/Public Utility Personal	4.250000	4.250000	4.250000	4.250000	4.250000
Monroe					
Residential/Agricultural Real	4.159009	4.155500	4.155500	3.900818	3.899510
Commercial/Industrial/Public Utility/Mineral Real	4.199302	4.199302	4.199302	4.200000	4.200000
General Business/Public Utility Personal	4.200000	4.200000	4.200000	4.200000	4.200000
Muskingum					
Residential/Agricultural Real	4.582566	3.932528	3.932475	4.000000	3.150837
Commercial/Industrial/Public Utility/Mineral Real	4.585518	3.935518	3.935518	4.000000	3.333961
General Business/Public Utility Personal	4.650000	4.000000	4.000000	4.000000	3.500000

(1) Property tax rates shown are based on the year of collection.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Source: Muskingum County Auditor

2001	2000	1999	1998	1997
3.445788	3.650000	3.650000	3.078205	3.183965
3.411654	3.650000	3.650000	3.213169	3.271135
3.650000	3.650000	3.650000	3.350000	3.350000
8.818707	9.513851	8.682033	9.266126	10.097996
11.258178	10.783104	10.766208	11.757760	11.755975
11.800000	10.800000	10.800000	11.800000	11.800000
4.088063	4.313906	4.313906	4.313906	4.001027
4.153834	4.400000	4.399978	4.399978	4.102753
4.400000	4.400000	4.400000	4.400000	4.400000
3.664922	3.965440	3.965440	3.965067	4.187324
3.962439	4.343956	4.343956	4.343956	4.423418
4.850000	4.850000	4.850000	4.850000	4.850000
5.394138	6.160105	6.031294	6.132730	6.377278
6.009983	6.850000	6.808258	6.808258	6.572123
6.850000	6.850000	6.850000	6.850000	6.650000
2.400000	3.270138	3.268326	3.268326	3.400000
2.400000	3.400000	3.400000	3.400000	3.400000
2.400000	3.400000	3.400000	3.400000	3.400000
4.987393	5.370897	5.371228	5.382719	5.258003
5.957764	6.196990	6.196990	6.250000	5.629824
6.250000	6.250000	6.250000	6.250000	5.750000
2.075789	2.400000	2.400000	2.093856	2.158111
2.398738	2.400000	2.400000	2.399097	2.398741
2.400000	2.400000	2.400000	2.400000	2.400000
3.941319	4.250000	3.250000	4.250000	4.250000
4.228482	4.250000	3.250000	4.250000	4.250000
4.250000	4.250000	3.250000	4.250000	4.250000
3.899505	4.200000	4.200000	4.016500	4.078609
4.200000	4.200000	4.200000	4.187570	4.188834
4.200000	4.200000	4.200000	4.200000	4.200000
3.150415	3.246149	3.246588	3.247120	3.366682
3.333961	3.443825	3.449867	3.452826	3.452826
3.500000	3.500000	3.500000	3.500000	3.500000

(continued)

Muskingum County, Ohio
Property Tax Rates, Direct and Overlapping Governments (Continued)
(per \$1,000 of assessed value)
Last Ten Years (1)

	2006	2005	2004	2003	2002
<u>Overlapping Rates by Taxing District</u>					
<u>Townships</u>					
Newton					
Residential/Agricultural Real	5.819129	5.816654	5.815730	6.023018	6.022910
Commercial/Industrial/Public Utility/Mineral Real	6.827609	6.827609	6.802415	6.937376	6.937376
General Business/Public Utility Personal	8.450000	8.450000	8.450000	8.450000	8.450000
Perry					
Residential/Agricultural Real	5.004389	5.004389	5.003993	5.129309	5.129369
Commercial/Industrial/Public Utility/Mineral Real	5.500589	5.500589	5.482436	5.593835	5.593835
General Business/Public Utility Personal	6.200000	6.200000	6.200000	6.200000	6.200000
Rich Hill					
Residential/Agricultural Real	4.150764	4.150764	4.150764	4.200000	3.200000
Commercial/Industrial/Public Utility/Mineral Real	4.185035	4.185035	4.185035	4.200000	3.200000
General Business/Public Utility Personal	4.200000	4.200000	4.200000	4.200000	3.200000
Salem					
Residential/Agricultural Real	3.504632	3.504632	3.503200	3.251417	3.251417
Commercial/Industrial/Public Utility/Mineral Real	3.540962	3.540962	3.540962	3.489122	3.489122
General Business/Public Utility Personal	3.550000	3.550000	3.550000	3.550000	3.550000
Salt Creek					
Residential/Agricultural Real	3.663841	3.663841	3.663399	3.696278	3.692776
Commercial/Industrial/Public Utility/Mineral Real	3.764433	3.764433	3.764433	3.782008	3.782008
General Business/Public Utility Personal	4.000000	4.000000	4.000000	4.000000	4.000000
Springfield					
Residential/Agricultural Real	5.309954	4.499918	4.499918	4.612170	4.612136
Commercial/Industrial/Public Utility/Mineral Real	5.310603	4.872861	4.872861	5.005428	5.005428
General Business/Public Utility Personal	5.350000	5.350000	5.350000	5.350000	5.350000
Union					
Residential/Agricultural Real	4.600000	3.600000	4.308633	4.349230	4.349230
Commercial/Industrial/Public Utility/Mineral Real	4.600000	3.600000	4.574102	4.600000	4.600000
General Business/Public Utility Personal	4.600000	3.600000	4.600000	4.600000	4.600000
Washington					
Residential/Agricultural Real	3.671149	3.671149	3.192256	3.269162	3.269084
Commercial/Industrial/Public Utility/Mineral Real	3.845626	3.845626	3.532992	3.614282	3.614282
General Business/Public Utility Personal	4.150000	4.150000	4.150000	4.150000	4.150000
Wayne					
Residential/Agricultural Real	4.008647	4.008540	4.008511	4.144633	4.144271
Commercial/Industrial/Public Utility/Mineral Real	4.332848	4.332848	4.272608	4.347989	4.347989
General Business/Public Utility Personal	5.000000	5.000000	5.000000	5.000000	5.000000

(1) Property tax rates shown are based on the year of collection.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Source: Muskingum County Auditor

2001	2000	1999	1998	1997
6.019583	4.307816	4.307708	4.307708	4.585898
6.937376	4.710020	4.710020	4.710020	4.879367
8.450000	5.450000	5.450000	5.450000	5.450000
5.127758	5.819303	5.816966	5.816651	6.199985
5.579552	6.200000	6.200000	6.200000	6.200000
6.200000	6.200000	6.200000	6.200000	6.200000
3.200000	3.200000	3.200000	3.200000	3.200000
3.200000	3.200000	3.200000	3.200000	3.200000
3.200000	3.200000	3.200000	3.200000	3.200000
3.249660	3.541592	3.550000	3.194221	3.241887
3.489122	3.550000	3.550000	3.493143	3.493304
3.550000	3.550000	3.550000	3.550000	3.550000
3.692601	4.000000	4.000000	3.000000	3.000000
3.782008	4.000000	4.000000	3.000000	3.000000
4.000000	4.000000	4.000000	3.000000	3.000000
4.352636	4.930639	4.928822	4.927248	5.349970
4.884828	5.182298	5.182298	5.182298	5.350000
5.350000	5.350000	5.350000	5.350000	5.350000
4.348974	4.600000	4.349006	4.348756	4.446150
4.592724	4.600000	4.550000	4.550000	4.554299
4.600000	4.600000	4.600000	4.600000	4.600000
3.268012	3.590900	3.589970	3.589840	3.880440
3.614282	3.930834	3.930834	3.930368	4.082514
4.150000	4.150000	4.150000	4.150000	4.150000
4.144127	4.556116	4.555987	4.098750	4.391979
4.347989	4.718396	4.718396	4.489538	4.611681
5.000000	5.000000	5.000000	5.000000	5.000000

Muskingum County, Ohio

Principal Taxpayers

Real Estate Tax

2006 and 1997 (1)

Name of Taxpayer	2006	
	Assessed Value	Percent of Real Property Assessed Value
Longaberger Company	\$9,315,630	0.78%
Colony Square Partners	6,475,750	0.54
AZ-Warehouse Zanesville	4,945,120	0.41
North Coast Energy	4,173,790	0.36
Wal-Mart Real Estate	3,506,240	0.29
DGC Properties, LLC	3,280,350	0.27
J. Robert Beam Trustee	3,271,400	0.27
Ray Thomas Lumbertown, Inc.	3,153,100	0.26
Zanesville Country Fair	2,894,620	0.24
Century National Bank	2,630,170	0.23
Totals	<u>\$43,646,170</u>	<u>3.65%</u>
Total Assessed Valuation	<u>\$1,196,728,300</u>	

Name of Taxpayer	1997	
	Assessed Value	Percent of Real Property Assessed Value
Longaberger Company	\$9,267,860	1.22%
Colony Square Partners	5,752,220	0.76
Good Sam Medical Center	2,325,920	0.31
Zandex, Inc.	1,638,520	0.22
New Concord Ohio Inc.	1,565,180	0.21
Wares Delaware Corp.	1,473,500	0.19
Zanesville County Fair	1,424,510	0.19
Associated Estates	1,419,110	0.19
Buckeye Supply Company	1,378,680	0.18
Auto Zone, Inc.	1,300,750	0.17
Totals	<u>\$27,546,250</u>	<u>3.64%</u>
Total Assessed Valuation	<u>\$757,244,920</u>	

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

Source: Muskingum County Auditor

Muskingum County, Ohio
Principal Taxpayers
Tangible Personal Property Tax
2006 and 1997 (1)

Name of Taxpayer	2006	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Longaberger Company	\$13,309,650	16.40%
AK Tube LLC	7,688,370	9.47
Owens Illinois, Inc.	3,908,850	4.82
Worthington Foods, Inc	3,790,900	4.67
Autozone Texas LP Company	3,566,420	4.39
Lear Operations Corp.	2,771,790	3.41
Shelly & Sands, Inc.	2,698,540	3.32
Wal Mart Stores East LP	2,682,810	3.31
Sidwell Materials, Inc	2,554,370	3.15
Dolgencorp	2,263,810	2.79
Total	\$45,235,510	55.73%
Total Assessed Valuation	\$81,172,633	

Name of Taxpayer	1997	
	Assessed Value	Percent of Tangible Personal Property Assessed Value
Longaberger Company	\$12,747,140	9.96%
Armco Incorporated	8,375,660	6.55
United Technology	6,633,860	5.19
Owens Illinois Incorporated	6,566,100	5.13
Burnham Corporation	3,785,900	2.96
GEA Parts LLC	2,656,150	2.08
Ohio Machinery Company	2,165,570	1.69
Akro Corporation	2,060,500	1.61
General Electric Company	1,903,940	1.49
Wendy's International Incorporated	1,728,810	1.35
Total	\$48,623,630	38.01%
Total Assessed Valuation	\$127,931,535	

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

Source: Muskingum County Auditor

Muskingum County, Ohio

Principal Taxpayers

Public Utilities Tax

2006 and 1997 (1)

Name of Taxpayer	2006	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Power Company	\$47,009,630	59.19%
Ohio Bell Telephone Company	\$6,294,260	7.93
Guernsey Muskingum Electric	5,212,830	6.56
Texas Eastern Trans LP	4,707,870	5.93
NGO Transmission, Inc.	4,366,750	5.50
Total	67,591,340	85.11%
Total Assessed Valuation	\$79,420,980	

Name of Taxpayer	1997	
	Assessed Value	Percent of Public Utility Assessed Value
Ohio Power Company	\$41,263,990	41.65%
Ohio Bell Telephone Company	18,182,990	18.35
National Gas and Oil	11,738,600	11.85
Columbia Gas of Ohio Incorporated	8,852,530	8.94
Texas Eastern Trans Corporation	4,970,870	5.02
Total	\$85,008,980	85.81%
Total Assessed Valuation	\$99,071,260	

(1) The amounts presented represent the assessed values upon which 2006 and 1997 collections were based.

Source: Muskingum County Auditor

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Muskingum County, Ohio
Property Tax Levies and Collections
Real and Public Utility, and Tangible Personal Property
Last Ten Years

	2006	2005	2004	2003
<u>Real and Public Utility Property</u>				
Tax Levy(3)	\$11,468,177	\$11,540,889	\$11,273,615	\$10,909,528
Current Tax Collections (2)	10,873,281	11,002,829	10,780,162	10,359,548
Percent of Current Collections to Levy	94.81%	95.34%	95.62%	94.96%
Delinquent Tax Collections (4)	524,201	531,770	587,441	519,850
Total Tax Collections(3)	11,397,482	11,534,599	11,367,603	10,879,398
Ratio of Total Collections to Levy	99.38%	99.95%	100.83%	99.72%
Outstanding Delinquent Taxes (1)	1,361,365	1,094,193	1,038,013	1,059,341
Ratio of Outstanding Delinquent Taxes to Tax Levy	11.87%	9.48%	9.21%	9.71%
<u>Tangible Personal Property</u>				
Tax Levy(3)	\$1,301,077	\$1,751,946	\$1,890,447	\$1,907,619
Total Tax Collections(3)	1,406,023	1,979,162	2,009,672	1,972,202
Ratio of Total Collections to Levy	108.07%	112.97%	106.31%	103.39%
Outstanding Delinquent Taxes	389,030	400,831	494,919	400,049
Ratio of Outstanding Delinquent Taxes to Tax Levy	29.90%	22.88%	26.18%	20.97%

(1) The amounts include all prior year delinquencies and the current year delinquencies.

(2) In 2002, the reduction in collections is due to gas and electric deregulation which resulted in a reduction in assessed valuation.

(3) Figures for Tax Levy and Total Tax Collections include state reimbursement amounts.

(4) Delinquent Tax Collections include amounts collected from penalties, interest, and other delinquent collections. The County does not identify delinquent tax collections by tax year.

n/a - Information not available.

Note: The County does not maintain delinquency information by tax year.

Source: Muskingum County Auditor

2002	2001	2000	1999	1998	1997
\$10,569,678	\$11,199,940	\$10,214,642	\$10,051,646	\$9,637,376	n/a
10,077,979	10,601,946	9,805,867	9,352,141	9,200,655	n/a
95.35%	94.66%	96.00%	93.04%	95.47%	n/a
486,301	380,130	422,040	379,951	391,216	n/a
10,564,280	10,982,076	10,227,907	9,732,092	9,591,871	n/a
99.95%	98.05%	100.13%	96.82%	99.53%	n/a
1,038,348	942,934	751,782	809,302	758,641	n/a
9.82%	8.42%	7.36%	8.05%	7.87%	n/a
\$2,020,832	\$2,042,035	\$1,953,443	\$1,817,104	\$1,851,900	\$1,823,024
2,068,614	2,178,715	2,133,866	1,700,808	1,815,154	1,846,978
102.36%	106.69%	109.24%	93.60%	98.02%	101.31%
427,072	472,279	515,412	547,748	488,750	379,320
21.13%	23.13%	26.38%	30.14%	26.39%	20.81%

Muskingum County, Ohio
Ratio of Outstanding Debt to Total
Personal Income and Debt Per Capita
Last Ten Years

Governmental Activities

Year	General Obligation Bonds	Special Assessment OWDA	Special Assessment Bonds	Long-Term Contracts Payable	Energy Conservation Loan	Bond Anticipation Notes	Issue Two Notes	Tax Refund Payable	Capital Leases
2006	\$13,900,903	\$253,304	\$641,392	\$12,826,924	\$0	\$1,000,000	\$218,391	\$0	\$491,220
2005	13,900,000	318,985	679,478	13,801,373	243,561	850,000	329,202	0	201,514
2004	14,725,000	384,666	717,564	14,444,899	316,294	953,000	437,829	0	167,563
2003	15,710,000	450,347	750,650	14,783,391	385,169	195,000	227,074	0	64,735
2002	17,775,000	516,028	791,035	11,566,933	450,392	290,000	275,625	0	69,912
2001	15,990,000	581,709	599,000	9,276,552	512,156	3,020,000	99,479	0	22,653
2000	17,380,000	647,390	621,965	4,936,745	570,645	3,090,000	96,498	0	63,362
1999	18,680,000	713,071	644,930	0	626,032	3,155,000	142,320	18,664	51,726
1998	10,615,000	778,752	667,895	0	0	1,780,000	197,441	50,694	109,640
1997	10,840,000	844,433	690,860	0	0	3,064,000	307,907	88,126	156,693

Note: Details regarding the County's outstanding debt can be found in the Notes to the Financial Statements.

(1) See S42 & S43 for personal income and population data

Business-Type Activities

General Obligation Bonds	Bond Anticipation Notes	Revenue Bonds	OWDA Loan	Total Debt	Percentage of Personal Income (1)	Per Capita (1)
\$18,704,448	\$5,380,000	\$543,700	\$3,404,578	\$57,364,860	3.87%	\$678
10,931,625	5,380,000	555,800	3,287,184	50,478,722	3.40	597
11,271,934	2,080,000	566,700	3,318,908	49,384,357	3.33	584
11,612,243	0	577,500	2,659,091	47,415,200	3.20	561
2,752,064	0	10,306,500	1,962,055	46,755,544	3.15	553
1,261,000	2,855,000	1,802,200	1,033,720	37,053,469	2.50	438
1,286,035	2,255,000	1,829,500	357,990	33,135,130	2.66	392
1,311,070	1,980,000	1,855,500	372,651	29,550,964	2.37	360
1,105	2,440,000	3,172,500	386,239	20,199,266	1.62	246
1,140	0	3,209,300	398,833	19,601,292	1.57	239

Muskingum County, Ohio
Ratio of General Obligation Bonded Debt to Estimated Actual Property Value
and General Obligation Bonded Debt Per Capita
Last Ten Years

Year	Population (1)	Estimated Actual Property Value	General Obligation Bonded Debt	Ratio of General Obligation Bonded Debt to Estimated Actual	Bonded General Obligation Debt Per Capita
2006	84,585	\$4,079,061,509	\$13,900,903	0.34%	\$164.34
2005	84,585	4,079,413,667	13,900,000	0.34	164.33
2004	84,585	4,105,203,500	14,725,000	0.36	174.09
2003	84,585	4,031,082,289	15,710,000	0.39	185.73
2002	84,585	3,815,398,911	17,775,000	0.47	210.14
2001	84,585	3,737,010,363	15,990,000	0.43	189.04
2000	84,585	3,718,861,877	17,380,000	0.47	205.47
1999	84,169	3,041,358,042	18,680,000	0.61	221.93
1998	84,169	3,006,040,542	10,615,000	0.35	126.12
1997	84,169	2,958,343,797	10,840,000	0.37	128.79

(1) U.S. Census Bureau Fact Finder - 1990 and 2000 Federal Census

Source: Muskingum County Auditor

Muskingum County, Ohio
Pledged Revenue Coverage
Revenue Bonds - Sewer
Last Ten Years

Year	Gross Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2006	\$2,213,844	\$1,508,365	\$705,479	\$12,100	\$25,745	18.64
2005	2,040,557	2,846,895	(806,338)	10,900	26,250	(21.70)
2004	1,942,637	1,868,520	74,117	10,800	27,025	1.96
2003	1,737,106	1,626,027	111,079	38,100	107,903	0.76
2002	2,262,928	1,829,783	433,145	28,700	64,767	4.63
2001	1,956,682	1,375,419	581,263	27,300	92,215	4.86
2000	1,899,048	1,633,241	265,807	26,000	93,525	2.22
1999	1,597,962	1,078,597	519,365	24,900	94,780	4.34
1998	1,805,763	1,686,964	118,799	36,800	175,918	0.56
1997	1,685,552	1,312,044	373,508	34,900	177,840	1.76

(1) Includes investment income and other non-operating revenues.

(2) Direct operating expenses do not include depreciation and amortization expense.

Muskingum County, Ohio
 Legal Debt Margin
 Last Ten Years

	2006	2005	2004	2003
Total Assessed Property Value	<u>\$1,357,321,913</u>	<u>\$1,384,486,251</u>	<u>\$1,381,014,675</u>	<u>\$1,354,565,318</u>
Debt Limit (1)	<u>32,433,048</u>	<u>33,112,156</u>	<u>33,025,367</u>	<u>32,364,133</u>
Total Debt Outstanding:				
General Obligation Bonds Payable	\$33,289,500	\$25,561,000	\$26,762,500	\$28,124,000
Notes Payable	6,598,391	6,802,763	3,787,123	807,243
Revenue Bonds Payable	543,700	555,800	566,700	577,500
OWDA Loans Payable from Enterprise Fund Revenues	3,404,578	3,287,184	3,318,908	2,659,091
Special Assessment Debt Payable	<u>903,804</u>	<u>1,007,985</u>	<u>1,112,166</u>	<u>1,211,347</u>
Total Gross Indebtedness	<u>44,739,973</u>	<u>37,214,732</u>	<u>35,547,397</u>	<u>33,379,181</u>
Exemptions:				
General Obligation Bonds Payable - Exempt	25,676,000	18,283,500	18,986,750	19,675,750
Notes Payable - Exempt	5,598,391	6,802,763	3,787,123	807,243
Revenue Bonds Payable	543,700	555,800	566,700	577,500
OWDA Loans Payable from Enterprise Fund Revenues	3,404,578	3,287,184	3,318,908	2,659,091
Bonds Payable from Special Assessments	903,804	1,007,985	1,112,166	1,211,347
Amount Available in the Debt Service Fund for General Obligations	<u>484,958</u>	<u>461,203</u>	<u>660,303</u>	<u>633,330</u>
Total Exemptions	<u>36,611,431</u>	<u>30,398,435</u>	<u>28,431,950</u>	<u>25,564,261</u>
Total Net Debt Applicable to Debt Limit	<u>8,128,542</u>	<u>6,816,297</u>	<u>7,115,447</u>	<u>7,814,920</u>
Legal Debt Margin	<u>\$24,304,506</u>	<u>\$26,295,859</u>	<u>\$25,909,920</u>	<u>\$24,549,213</u>
Legal Debt Margin Within Debt Limit	74.94%	79.41%	78.45%	75.85%

(1) Ohio Bond Law sets a limit calculated as follows:

 Three percent of the first \$100,000,000 of the tax valuation

 One and one-half percent of the next \$200,000,000 of the tax valuation

 Two and one-half percent of the amount of the tax valuation in excess of \$300,000,000

(2) Ohio Bond Law sets a limit of one percent of the tax valuation.

Sources: Muskingum County Auditor

2002	2001	2000	1999	1998	1997
<u>\$1,275,734,065</u>	<u>\$1,248,113,765</u>	<u>\$1,245,987,635</u>	<u>\$1,013,468,979</u>	<u>\$1,000,131,024</u>	<u>\$984,247,715</u>
<u>30,393,352</u>	<u>29,702,844</u>	<u>29,649,691</u>	<u>23,836,724</u>	<u>23,503,276</u>	<u>23,106,193</u>
\$20,527,064	\$17,220,962	\$18,666,035	\$19,958,758	\$10,616,105	\$10,841,140
1,016,017	6,486,635	6,012,143	5,903,352	4,429,441	3,371,907
2,206,500	1,802,200	1,829,500	1,855,500	3,172,500	3,209,300
1,962,055	1,033,720	357,990	372,651	386,239	398,833
1,307,063	1,180,709	1,269,355	1,358,001	1,446,647	1,535,293
<u>27,018,699</u>	<u>27,724,226</u>	<u>28,135,023</u>	<u>29,448,262</u>	<u>20,050,932</u>	<u>19,356,473</u>
7,565,000	16,660,712	14,835,460	19,958,758	10,616,105	4,251,140
1,016,017	6,486,635	6,012,143	5,903,352	4,429,441	331,907
2,206,500	1,802,200	1,829,500	1,855,500	3,172,500	3,209,300
1,962,055	1,033,720	357,990	372,651	386,239	398,833
1,307,063	1,180,709	1,269,355	1,358,001	1,446,647	1,535,293
<u>1,859,951</u>	<u>1,680,783</u>	<u>1,559,264</u>	<u>1,540,999</u>	<u>1,074,420</u>	<u>772,142</u>
<u>15,916,586</u>	<u>28,844,759</u>	<u>25,863,712</u>	<u>30,989,261</u>	<u>21,125,352</u>	<u>10,498,615</u>
<u>11,102,113</u>	<u>(1,120,533)</u>	<u>2,271,311</u>	<u>(1,540,999)</u>	<u>(1,074,420)</u>	<u>8,857,858</u>
<u>\$19,291,239</u>	<u>\$30,823,377</u>	<u>\$27,378,380</u>	<u>\$25,377,723</u>	<u>\$24,577,696</u>	<u>\$14,248,335</u>
63.47%	103.77%	92.34%	106.46%	104.57%	61.66%

(continued)

Muskingum County, Ohio
Legal Debt Margin (Continued)
 Last Ten Years

	2006	2005	2004	2003
Unvoted Debt Limitation (2)	<u>\$13,573,219</u>	<u>\$13,844,863</u>	<u>\$13,810,147</u>	<u>\$13,545,653</u>
Total Debt Outstanding:				
General Obligation Bonds Payable	\$33,289,500	\$25,561,000	\$26,762,500	\$28,124,000
Notes Payable	6,598,391	6,802,763	3,787,123	807,243
Revenue Bonds Payable	543,700	555,800	566,700	577,500
OWDA Loans Payable from Enterprise Fund Revenues	3,404,578	3,287,184	3,318,908	2,659,091
Special Assessment Debt Payable	<u>903,804</u>	<u>1,007,985</u>	<u>1,112,166</u>	<u>1,211,347</u>
Total Gross Indebtedness	<u>44,739,973</u>	<u>37,214,732</u>	<u>35,547,397</u>	<u>33,379,181</u>
Exemptions:				
General Obligation Bonds Payable - Exempt	25,676,000	18,283,500	18,986,750	19,675,750
Notes Payable - Exempt	5,598,391	6,802,763	3,787,123	807,243
Revenue Bonds Payable	543,700	555,800	566,700	577,500
OWDA Loans Payable from Enterprise Fund Revenues	3,404,578	3,287,184	3,318,908	2,659,091
Bonds Payable from Special Assessments	903,804	1,007,985	1,112,166	1,211,347
Amount Available in the Debt Service Fund for General Obligations	<u>484,958</u>	<u>461,203</u>	<u>660,303</u>	<u>633,330</u>
Total Exemptions	<u>36,611,431</u>	<u>30,398,435</u>	<u>28,431,950</u>	<u>25,564,261</u>
Net Debt Within Unvoted Debt Limitation	<u>8,128,542</u>	<u>6,816,297</u>	<u>7,115,447</u>	<u>7,814,920</u>
Unvoted Legal Debt Margin	<u>\$5,444,677</u>	<u>\$7,028,566</u>	<u>\$6,694,700</u>	<u>\$5,730,733</u>
Unvoted Legal Debt Margin as a Percentage of Unvoted Debt Limitation	40.11%	50.77%	48.48%	42.31%

2002	2001	2000	1999	1998	1997
<u>\$12,757,341</u>	<u>\$12,481,138</u>	<u>\$12,459,876</u>	<u>\$10,134,690</u>	<u>\$10,001,310</u>	<u>\$9,842,477</u>
\$20,527,064	\$17,020,962	\$17,826,035	\$18,533,758	\$8,656,105	\$8,391,140
1,016,017	6,486,635	6,012,143	5,903,352	4,429,441	3,371,907
2,206,500	1,802,200	1,829,500	1,855,500	3,172,500	3,209,300
1,962,055	1,033,720	357,990	372,651	386,239	398,833
1,307,063	1,180,709	1,269,355	1,358,001	1,446,647	1,535,293
<u>27,018,699</u>	<u>27,524,226</u>	<u>27,295,023</u>	<u>28,023,262</u>	<u>18,090,932</u>	<u>16,906,473</u>
7,565,000	16,460,712	13,995,460	14,358,758	6,416,645	6,801,140
1,016,017	6,486,635	6,012,143	5,903,352	2,649,441	331,907
2,206,500	1,802,200	1,829,500	1,855,500	3,172,500	3,209,300
1,962,055	1,033,720	357,990	372,651	398,833	398,833
1,307,063	1,180,709	1,269,355	1,358,001	1,449,647	1,535,293
1,859,951	1,680,783	1,559,264	1,540,999	1,074,420	772,142
<u>15,916,586</u>	<u>28,644,759</u>	<u>25,023,712</u>	<u>25,389,261</u>	<u>15,161,486</u>	<u>13,048,615</u>
<u>11,102,113</u>	<u>(1,120,533)</u>	<u>2,271,311</u>	<u>2,634,001</u>	<u>2,929,446</u>	<u>3,857,858</u>
<u>\$1,655,228</u>	<u>\$13,601,671</u>	<u>\$10,188,565</u>	<u>\$7,500,689</u>	<u>\$7,071,864</u>	<u>\$5,984,619</u>
12.97%	108.98%	81.77%	74.01%	70.71%	60.80%

Muskingum County, Ohio
Demographic and Economic Statistics
Last Ten Years

Year	Population (1)	Total Personal Income (3)	Personal Income Per Capita (6)	Median Household Income (1)	Median Age (1)
2006	84,585	\$1,483,028,805	\$17,533	\$35,185	36.5
2005	84,585	1,483,028,805	17,533	35,185	36.5
2004	84,585	1,483,028,805	17,533	35,185	36.5
2003	84,585	1,483,028,805	17,533	35,185	36.5
2002	84,585	1,483,028,805	17,533	35,185	36.5
2001	84,585	1,483,028,805	17,533	35,185	36.5
2000	84,585	1,483,028,805	17,533	35,185	36.5
1999	82,068	1,246,612,920	15,190	23,967	n/a
1998	82,068	1,246,612,920	15,190	23,967	n/a
1997	82,068	1,246,612,920	15,190	23,967	n/a

(1) Source: U.S. Census Bureau Fact Finder - 1990 and 2000 Federal Census

(2) Source: State Board of Education, Muskingum County Board of Education and individual school districts.

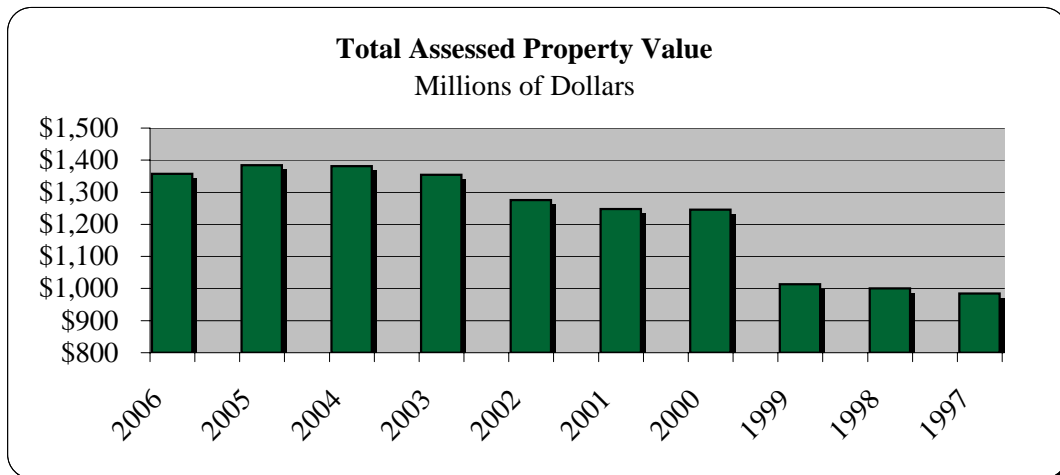
(3) Source: Zanesville-Muskingum County Chamber of Commerce

(4) Source: Ohio Bureau of Employment Services

(5) Source: Muskingum County Auditor

(6) Computation of per capita personal income multiplied by population

n/a - The median age in the 1990 Census was unavailable.



Educational Attainment: Bachelor's Degree or Higher (1)	School Enrollment (2)	Muskingum County Unemployment Rate (4)	Total Assessed Property Value (5)
12.6%	16,104	7.2%	\$1,357,321,913
12.6	15,914	8.3	1,384,486,251
12.6	15,682	8.2	1,381,014,675
12.6	15,635	7.4	1,354,565,318
12.6	15,601	6.4	1,275,734,065
12.6	15,529	5.9	1,248,113,765
12.6	16,194	5.9	1,245,987,635
10.1	17,230	6.7	1,013,468,979
10.1	16,697	6.4	1,000,131,024
10.1	16,709	7.4	984,247,715

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Muskingum County, Ohio
Principal Employers
2006 and 1997

2006

Employer	Nature of Business	Employees	Percentage of Total County Employment
Genesis Health Care	Hospital - Health Services	3,269	9.01%
Longaberger Incorporated	Hand-woven baskets and wood products	3,000	8.27
Zandex Inc.	Health Services	1,100	3.03
The County	Government	984	2.71
Dollar General Corp.	General Merchandise Warehouse and Distribution Center	851	2.34
Auto Zone	Auto Parts Warehouse and Distribution Center	600	1.65
Lear Corp.	Electrical Parts for Engines/ Wire Assemblies	600	1.65
City of Zanesville	Government	395	1.09
Muskingum College	Post Secondary Education	370	1.02
Owens - Illinois	Glass Containers and Jars	360	1.00
Total		11,529	31.77%
Total Employment within the County		36,290	

1997

Employer	Nature of Business	Employees	Percentage of Total County Employment
Longaberger Incorporated	Hand-woven baskets and wood products	4,723	11.96%
Genesis Health Care	Hospital - Health Services	3,539	8.96
United Technologies Automotive	Electrical parts for engines/ wire assemblies	1,700	4.30
Zandex Inc.	Health Services	1,100	2.78
Five B's Inc.	Fleecewear Manufacturing and Contract Embroidery	1,000	2.53
The County	Government	795	2.01
Zanesville City School District	Education	580	1.47
Lumi-Lite	Candle Manufacturing	500	1.27
Owens-Brockway Glass Container	Glass Containers and Jars	410	1.04
City of Zanesville	Government	324	0.82
Total		14,671	37.14%
Total Employment within the County		39,500	

Source: Zanesville - Muskingum County Chamber of Commerce and Individual Employers
Source: Bureau of Labor Statistics

Muskingum County, Ohio
 Full-Time Equivalent County Government Employees by Program/Activity
 Last Ten Years

Program/Activity	2006	2005	2004	2003
General Government - Legislative and Executive				
Commissioners	16.00	14.00	18.00	15.00
Auditor	14.00	13.00	16.00	16.00
Treasurer	1.00	1.00	5.00	4.00
Treasurer - Dretac	4.00	4.00	1.00	2.00
Prosecuting Attorney	19.00	20.00	18.00	18.00
Prosecutor - Dretac	1.00	1.00	1.00	1.00
Records	2.00	2.00	2.00	2.00
Board of Elections	15.00	14.00	13.00	12.00
Recorder	6.00	6.00	6.00	6.00
Data Processing	1.00	1.00	1.00	1.00
Maintenance	24.00	24.00	26.00	25.00
Fleet Garage	4.00	4.00	3.00	3.00
Information Services	4.00	3.00	3.00	3.00
Title	5.00	5.00	5.00	5.00
G.I.S.	3.00	2.00	2.00	1.00
Real Estate	5.00	5.00	3.00	3.00
Lorena	0.00	1.00	1.00	1.00
General Government - Judicial				
Common Pleas Court	10.00	9.00	10.00	12.00
Jury Commission - Common Pleas	1.00	1.00	1.00	1.00
County Court	8.00	9.00	8.00	7.00
Probate Court	6.00	6.00	6.00	6.00
Juvenile Court	68.00	68.00	72.00	78.00
Municipal Court	4.00	4.00	4.00	3.00
Clerk of Courts	11.00	10.00	10.00	10.00
Domestic Relations Court	11.00	12.00	13.00	12.00
Special Projects - County Court	0.00	0.00	1.00	0.00
Public Safety				
Sheriff	115.00	107.00	113.00	117.00
Disaster Services	1.00	2.00	3.00	3.00
Coroner	3.00	3.00	3.00	3.00
Community Corrections	5.00	5.00	5.00	5.00
House Arrest - County Court	3.00	2.00	2.00	2.00
Youth Services - Juvenile Court	3.00	3.00	3.00	3.00
Youth and Community Partners - Juvenile Court	2.00	2.00	2.00	0.00
D.A.R.E. - Sheriff	1.00	1.00	1.00	2.00
COPS School Grant - Sheriff	0.00	4.00	4.00	2.00
Sheriff Levy Fund	8.00	8.00	9.00	7.00
Sheriff Co. Agency	5.00	3.00	3.00	3.00
Victim Witness - Prosecutor	1.00	1.00	1.00	1.00
Public Works				
Engineer	53.00	54.00	52.00	47.00
Tech Support	0.00	0.00	2.00	2.00
Building Department	9.00	9.00	7.00	5.00
Recycling	3.00	4.00	5.00	5.00
CDBG Formula Grant	0.00	0.00	0.00	0.00
CHIP I Grant	1.00	1.00	2.00	1.00

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

Source: Muskingum County Auditor

2002	2001	2000	1999	1998	1997
17.00	17.00	17.00	20.00	17.00	46.00
17.00	15.00	14.00	14.00	15.00	13.00
4.00	5.00	5.00	5.00	5.00	5.00
1.00	1.00	1.00	1.00	1.00	1.00
17.00	16.00	16.00	16.00	15.00	14.00
1.00	1.00	0.00	0.00	0.00	0.00
1.00	1.00	0.00	0.00	0.00	0.00
11.00	12.00	12.00	12.00	13.00	14.00
6.00	6.00	5.00	6.00	6.00	6.00
2.00	1.00	1.00	1.00	1.00	1.00
28.00	31.00	27.00	22.00	21.00	21.00
0.00	0.00	0.00	0.00	0.00	0.00
3.00	3.00	0.00	0.00	0.00	0.00
5.00	5.00	5.00	5.00	5.00	5.00
0.00	0.00	0.00	0.00	0.00	0.00
4.00	4.00	2.00	1.00	2.00	2.00
1.00	1.00	0.00	0.00	0.00	0.00
20.00	18.00	15.00	15.00	21.00	18.00
2.00	1.00	1.00	2.00	2.00	2.00
8.00	8.00	8.00	8.00	8.00	7.00
6.00	6.00	6.00	6.00	6.00	6.00
76.00	76.00	66.00	31.00	33.00	32.00
3.00	3.00	3.00	3.00	3.00	3.00
9.00	8.00	9.00	9.00	9.00	8.00
4.00	4.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00
109.00	106.00	107.00	105.00	104.00	104.00
3.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00	3.00
5.00	5.00	6.00	7.00	6.00	7.00
1.00	2.00	1.00	1.00	1.00	1.00
3.00	3.00	4.00	4.00	4.00	4.00
0.00	0.00	0.00	0.00	0.00	0.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
6.00	8.00	7.00	5.00	3.00	4.00
3.00	5.00	3.00	1.00	2.00	0.00
1.00	1.00	0.00	0.00	0.00	0.00
45.00	41.00	45.00	42.00	46.00	42.00
2.00	2.00	2.00	0.00	0.00	0.00
5.00	5.00	3.00	4.00	4.00	2.00
5.00	4.00	2.00	2.00	2.00	2.00
0.00	0.00	2.00	2.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00

(continued)

Muskingum County, Ohio
 Full-Time Equivalent County Government Employees by Program/Activity (Continued)
 Last Ten Years

Program/Activity	2006	2005	2004	2003
Health				
Humane	1.00	1.00	1.00	1.00
Dog and Kennel	4.00	4.00	5.00	4.00
T.B. Clinic	6.00	7.00	7.00	8.00
Human Services				
MRDD	120.00	125.00	127.00	119.00
Public Assistance	111.00	113.00	113.00	115.00
Children Services	77.00	91.00	94.00	92.00
Child Support Enforcement Agency	53.00	54.00	54.00	57.00
Veteran Services	9.00	9.00	9.00	8.00
County Home	89.00	90.00	88.00	74.00
Center for Seniors	30.00	28.00	33.00	34.00
Special Ed - Starlight	7.00	3.00	3.00	3.00
Early Childhood - Starlight	2.00	2.00	2.00	2.00
Enterprise Funds				
Sewer	10.00	10.00	11.00	9.00
Water	9.00	11.00	12.00	11.00
Totals:	<u>984.00</u>	<u>996.00</u>	<u>1,025.00</u>	<u>992.00</u>

Method: Using 1.0 for each full-time employee and 0.50 for each part-time and seasonal employee at year end.

Source: Muskingum County Auditor

<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
1.00	1.00	1.00	1.00	1.00	1.00
3.00	3.00	4.00	4.00	5.00	3.00
8.00	7.00	7.00	7.00	9.00	7.00
119.00	119.00	113.00	112.00	105.00	109.00
119.00	121.00	124.00	116.00	112.00	105.00
94.00	86.00	76.00	75.00	66.00	66.00
58.00	58.00	55.00	52.00	51.00	44.00
8.00	5.00	9.00	9.00	9.00	9.00
69.00	83.00	55.00	60.00	62.00	60.00
38.00	50.00	53.00	45.00	41.00	0.00
3.00	3.00	3.00	3.00	3.00	3.00
2.00	2.00	2.00	2.00	2.00	2.00
11.00	12.00	9.00	8.00	6.00	7.00
0.00	0.00	0.00	0.00	0.00	0.00
<u>973.00</u>	<u>984.00</u>	<u>915.00</u>	<u>853.00</u>	<u>836.00</u>	<u>795.00</u>

Muskingum County, Ohio
 Operating Indicators by Program/Activity
 Last Five Years

	2006	2005	2004	2003	2002
General Government - Legislative and Executive					
Commissioners					
Number of Resolutions Passed	1,876	1,910	2,452	2,829	2,300
Number of Meetings	97	99	95	98	100
Auditor					
Number of Budgetary Checks Issued	36,102	39,406	38,298	37,996	38,067
Number of Personal Property Returns	2,003	2,069	2,102	3,986	3,963
Number of Exempt Conveyances	1,579	1,481	1,506	1,681	1,456
Number of Non-Exempt Conveyances	2,058	2,082	2,215	2,186	2,074
Number of Real Estate Transfers	3,637	3,563	3,721	3,867	3,530
Number of Parcels Billed	65,501	64,447	67,409	66,157	64,966
Prosecutor					
Number of Criminal Cases	344	378	358	410	331
Board of Elections					
Registered Voters	51,914	50,274	51,552	46,185	48,175
Registered Voters Last General Election	51,914	50,274	51,552	46,185	48,175
Percentage of Registered Voters that Voted	56.80%	42.80%	76.75%	48.37%	48.86%
Recorder					
Number of Deeds Recorded	4,514	4,359	4,702	4,605	4,314
Number of Mortgages Recorded	5,685	6,218	6,781	8,680	n/a
Number of Military Discharges Recorded	24	36	28	39	n/a
Number of Documents Recorded	17,880	18,523	19,313	24,110	21,210
General Government - Judicial					
Probate Court					
Number of Marriage Licenses Issued	597	628	668	679	690
Number of Civil Cases Filed	23	12	18	4	16
Number of Estates Filed	415	437	447	456	462
Number of Guardianships Filed	74	67	87	72	97
Juvenile Court					
Number of Delinquent Cases	826	880	870	773	799
Number of Unruly Cases	236	274	311	229	246
Number of Traffic Cases	527	570	548	705	851
Number of Abuse, Dependency, or Neglect Cases	148	164	140	138	145
Number of Paternity Cases (1)	0	0	0	0	37
Number of Custody Cases (1)	1	4	37	32	190
Number of Adult Cases Only	3	6	5	5	6
Number of Other (Court Contempt, etc.) Cases	40	198	287	253	253

(continued)

Source: Muskingum County Departments

(1) In 2002, domestic relations court was created and the majority of paternity, support, and custody matters were no longer brought before the juvenile court.

n/a - Information unavailable

Muskingum County, Ohio
 Operating Indicators by Program/Activity (Continued)
 Last Five Years

	2006	2005	2004	2003	2002
General Government - Judicial					
Municipal Court					
Number of Civil Cases Filed	1,213	1,202	1,278	1,339	1,188
Number of Criminal Cases Filed	1,880	1,875	2,123	1,998	2,271
Number of Small Claims Cases Filed	453	235	230	265	324
Domestic Relations Court					
Number of Divorces/ Dissolution Cases Filed	429	495	451	450	471
Clerk of Courts					
Number of Civil Cases Filed	843	722	778	718	681
Number of Criminal Cases Filed	405	402	410	454	383
Number of Domestic Relation Cases Filed	900	911	851	811	663
Number of Appeal Cases Filed	91	60	58	57	58
Public Safety					
Sheriff					
Average Daily Jail Census	216	219	203	199	197
Number of Prisoners Booked	3,138	3,047	3,000	2,908	2,501
Number of Prisoners Released	3,416	3,412	3,102	2,870	2,481
Number of Citations Issued	1,947	1,809	1,727	1,651	1,217
Number of Court Security Hours	2,101	2,090	2,178	2,104	2,098
Coroner					
Number of Autopsies Performed	41	40	53	40	32
Probation					
Number of House Arrest Individuals	38	45	38	57	34
Public Works					
Engineer					
Miles of Roads Resurfaced	14	18	23	32	34
Number of Bridges Replaced/ Improved	11	14	19	20	15
Number of Culverts Built/ Replaced/ Improved	63	66	107	68	57
Human Services					
MRDD					
Number of Students Enrolled in Early Intervention	82	86	98	86	81
Number of Students Enrolled in Preschool	38	50	42	44	40
Number of Students Enrolled in School Age	49	44	50	46	50
Number Served by Workshop	173	165	174	161	159
Public Assistance					
Average Client Count - Food Stamps	20,310	19,518	18,175	16,740	15,545
Medicaid Caseload	n/a	22,952	21,487	19,751	18,884
Average Client Count - Day Care	494	446	470	573	622
Child Support Enforcement Agency					
Open Child Support Cases	8,682	8,426	8,409	8,417	8,234
Percentage of Child Support Collected	71.92%	70.77%	71.44%	70.73%	69.44%

(continued)

Source: Muskingum County Departments

Muskingum County, Ohio
 Operating Indicators by Program/Activity (Continued)
 Last Five Years

	2006	2005	2004	2003	2002
Human Services					
Veterans Services					
Number of Clients Served	1,131	1,321	1,272	1,541	n/a
Amount of Benefits Paid	\$188,946	\$195,483	\$160,983	\$202,781	n/a
Number of Clients Transported	527	534	467	447	n/a
County Home					
Number of Residents	62	66	68	74	n/a
Number of Registered Nurses	5	5	5	5	n/a
Number of Aides	34	34	38	35	n/a
Avondale Youth Center					
Number of Kids Housed	61	69	70	79	66
Health					
Dog and Kennel					
Number of Dog Tags Issued	10,630	9,907	10,739	9,114	8,621
Number of Kennel Tags Issued	1,167	1,057	902	1,040	1,093
Enterprise Funds					
Sewer					
Average Daily Sewage Treated (gallons per day)	1.889	2.256	1.832	1.664	1.439
Customer Accounts	6,096	5,990	5,889	5,753	5,691
Water					
Average Daily Water Treated (gallons per day)	1.103	1.112	0.998	1.009	1.105
Customer Accounts	7,345	7,162	7,082	6,483	5,879

Source: Muskingum County Departments

Muskingum County, Ohio
 Capital Asset Statistics by Program/Activity
 Last Five Years

	2006	2005	2004	2003	2002
<u>General Government - Legislative and Executive</u>					
Commissioners					
Courthouse - (square feet)	8,479	8,479	8,479	8,479	8,479
Commissioners Administrative Offices - (square feet)	0	0	0	50,500	50,500
Auditor					
Courthouse - (square feet)	11,374	11,374	11,374	11,374	11,374
Recorder					
Courthouse - (square feet)	3,314	3,314	3,314	3,314	3,314
Title Office					
Courthouse - (square feet)	0	0	0	0	1,527
Treasurer					
Courthouse - (square feet)	3,066	3,066	3,066	3,066	3,066
Maintenance					
Courthouse - (square feet)	10,156	10,156	10,156	10,156	10,156
Fleet Garage - (square feet)	2,600	2,600	2,600	2,600	2,600
Prosecutor					
Law Administration Building - (square feet)	13,450	13,450	13,450	13,450	13,450
Building Department					
Records and Courts Facility - (square feet)	6,112	6,112	6,112	6,112	0
Information Services					
Records and Courts Facility - (square feet)	1,753	1,753	1,753	1,753	0
Records Commission					
Records and Courts Facility - (square feet)	8,634	8,634	8,634	8,634	0
Title Office					
Records and Courts Facility - (square feet)	4,585	4,585	4,585	4,585	0
Board of Elections					
County Agencies Building - (square feet)	3,880	3,880	3,880	3,880	3,880
<u>General Government - Judicial</u>					
Clerk of Courts					
Courthouse - (square feet)	5,903	5,903	5,903	5,903	5,903
Common Pleas Court					
Courthouse - (square feet)	11,158	11,158	11,158	11,158	11,158
Probate Court					
Courthouse - (square feet)	3,904	3,904	3,904	3,904	3,904
County Court					
Law Administration Building (square feet)	6,735	6,735	6,735	6,735	6,735
Domestic Relations Court					
Records and Courts Facility - (square feet)	14,927	14,927	14,927	14,927	0
Municipal Court					
Records and Courts Facility - (square feet)	5,430	0	0	0	0
Juvenile Court					
Juvenile Detention Center - (square feet)	16,164	16,164	16,164	16,164	16,164

Source: Muskingum County Departments
 Information was not available prior to 2002.

(continued)

Muskingum County, Ohio
 Capital Asset Statistics by Program/Activity (Continued)
 Last Five Years

	2006	2005	2004	2003	2002
<u>Public Safety</u>					
Sheriff					
Courthouse - (square feet)	371	371	371	371	371
Jail - (square feet)	44,601	44,601	44,601	44,601	44,601
Records and Courts Facility - (square feet)	804	804	804	804	804
County Agencies Building - (square feet)	1,704	1,704	1,704	1,704	1,704
Child Support Enforcement Agency - (square feet)	588	588	588	588	588
Juvenile Detention Center - (square feet)	34,529	34,529	34,529	34,529	34,529
Work Release Facility - (square feet)	10,800	10,800	10,800	0	0
Garages - (square feet)	5,978	5,978	5,978	5,978	5,978
Old Roseville Prison - (square feet)	45,850	45,850	45,850	45,850	45,850
Sub Station - (square feet)	0	625	625	625	625
Disaster Services					
Administrative Office - (square feet)	2,440	2,440	2,440	2,440	2,440
<u>Public Works</u>					
Engineer					
Courthouse - (square feet)	1,127	1,127	1,127	1,127	1,127
Highway Department - (square feet)	4,180	4,180	4,180	4,180	4,180
Frazeyburg Outpost - (square feet)	1,250	1,250	1,250	1,250	1,250
Administrative Office - (square feet)	2,800	2,800	2,800	2,800	2,800
Highway Garages - (square feet)	19,294	19,294	19,294	19,294	19,294
Bridge Department Garage - (square feet)	3,840	3,840	3,840	3,840	3,840
County Road Miles	529	518	518	518	518
Township Road Miles	715	687	687	687	687
State Route Miles	266	240	240	240	240
<u>Human Services</u>					
MRDD					
Starlight Industries - (square feet)	12,000	12,000	12,000	12,000	12,000
Starlight Industries Workshop - (square feet)	15,960	15,960	15,960	15,960	15,960
Starlight School - (square feet)	31,450	31,450	31,450	31,450	31,450
Starlight Administration Offices - (square feet)	9,444	9,444	9,444	9,444	9,444
Starlight Bus Garage - (square feet)	5,400	5,400	5,400	5,400	5,400
Children Services					
County Agencies Building - (square feet)	18,301	18,301	18,301	18,301	18,301
Children Services Administrative Offices - (square feet)	28,600	28,600	28,600	0	0
Child Support Enforcement Agency					
CSEA Administrative Offices - (square feet)	31,204	31,204	31,204	31,204	31,204
Youth Services					
Juvenile Detention Center - (square feet)	3,675	3,675	3,675	3,675	3,675
Public Assistance					
Job and Family Services Administrative Offices - (square feet)	32,758	32,758	32,758	10,858	10,858
Welfare Administrative Offices - (square feet)	1,194	1,194	1,194	1,194	1,194
<u>Health</u>					
Dog and Kennel					
Dog Pound - (square feet)	2,670	2,670	2,670	2,670	2,670
<u>Enterprise Funds</u>					
Sewer Department					
Sanitary Engineer Office - (square feet)	6,624	6,624	6,624	6,624	6,624
Sewer Lines Laid - (in feet)	35,264	4,411	920	3,925	6,096
Water Department					
Water Department Office - (square feet)	2,240	2,240	2,240	2,240	2,240
Water Lines Laid - (in feet)	51,660	50,121	150,884	117,729	0

Source: Muskingum County Departments
 Information was not available prior to 2002.

Muskingum County Offices
Zanesville, Ohio 43701 – (740) 455-7109



Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

MUSKINGUM COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 7, 2007**