



**Auditor of State
Betty Montgomery**

**FINANCIAL CONDITION
JEFFERSON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Expenditures.....	1
Notes to the Schedule of Federal Awards Expenditures	5
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i>	7
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.....	9
Schedule of Findings.....	11
Schedule of Prior Audit Findings.....	16

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**FINANCIAL CONDITION
JEFFERSON COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
U.S. Department of Agriculture			
Solid Waste Management Grant	10.762	FY 05	\$70,566
		FY 06	9,500
Total Solid Waste Management Grant			<u>80,066</u>
<i>Passed through the Ohio Department of Education</i>			
Childrens Services Child and Adult Food Care	10.558	FY 05	7,436
Board of Mental Retardation National School Lunch	10.555	FY 05	11,114
		FY 06	6,278
Total MRDD National School Lunch			<u>17,392</u>
Food Distribution Program	10.550	FY 06	728
Juvenile Detention Department National School Lunch	10.555	FY 05	30,367
		FY 06	10,579
Juvenile Detention National School Lunch			<u>40,946</u>
Sheriff Jail Lunch	10.555	FY 05	23,736
		FY 06	6,889
			<u>30,625</u>
Total U.S. Department of Agriculture			177,193
U. S. Department of Housing and Urban Development			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Formula Program	14.228	B-F-03-038-1	133,479
		B-F-04-038-1	227,021
Total Formula Grant			<u>360,500</u>
Community Housing Improvement Program	14.228	BC-04-038-1	43,962
Home Investment Partnership Program	14.239	BC-04-038-2	67,084
Total U.S. Housing and Urban Development			471,546
U.S. Department of Education			
<i>Passed through the Ohio Department of Education:</i>			
Special Education Grants to States	84.027	6B-SF-05	40,401
		6B-SF-06	5,656
Total Title VI B			<u>46,057</u>
Special Education - Preschool Grant	84.173	PG-S1-05	11,241
		PG-S1-06	1,124
Total Preschool Grant			<u>12,365</u>
Chapter 2 Innovator Grant	84.298	C2-S1-05	285
		C2-S1-06	40
Total Innovator Grant			<u>325</u>
Total U.S. Department of Education			58,747
Department of Homeland Security			
<i>Passed Through the State Emergency Management Agency</i>			
State Domestic Preparedness Equipment Support Program	97.004	2003-MUP-30015	146,396
		2004-GE-T4-0025	286,699
Total State Domestic Preparedness Equipment Support Program			<u>433,095</u>

**FINANCIAL CONDITION
JEFFERSON COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
Public Assistance Grant (FEMA-PA)	97.036	1507-DR-081-09C35 1507-DR-081-09C35 1519-DR-081-09C35 1556-DR-081-99081 1556-DR-081-99081 1556-DR-081-99081 1556-DR-081-99081 1556-DR-081-99081 1556-DR-081-99081 1580-DR-081604 1580-DR-081-99081	479,843 233,731 436,970 13,030 3,680 12,246 123,726 432 2,361 13,257 <u>1,319,276</u>
Emergency Management Performance Grant	97.042	FY 05	<u>39,463</u>
Total U.S. Department of Homeland Security			1,791,834
U. S. Department of Health and Human Services			
<i>Passed Through the Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Social Services Block Grant - Title XX	93.667	MR-41- 05 MR-41- 06	27,958 <u>30,152</u>
Total Title XX			58,110
Medicaid Title XIX - Targeted Case Management	93.778	4100010-05	191,523
Medicaid Title XIX - ICF/MR		512207-05 512207-06	1,237,660 885,100
Medicaid Title XIX Waiver Administration		N/A	17,746
CAFS		4100010-05	1,146,211
Day Habilitation		4100010-06	<u>155,339</u>
Total Title XIX			3,633,579
<i>Passed Through Ohio Department of Job and Family Services</i>			
Child Support Enforcement Magistrates Program	93.563	FY 05	130,812
<i>Passed Through Ohio Department of Alcohol and Drug Addiction</i>			
Substance Abuse Prevention and Treatment	93.959	FY 05	2,500
Substance Abuse Prevention and Treatment Block Grant (Womens Set Aside Funds)	93.959	FY 05 FY 06	31,620 36,410
Substance Abuse Prevention and Treatment Block Grant (ADMS Per Capita Block Grant)		FY 05 FY 06	98,461 <u>115,639</u>
Total Substance Abuse Block Grant			282,130
Medical Assistance Program Medicaid, Title XIX - Assistance	93.778	41513 FY 05 41513 FY 06	97,069 33,170 <u>130,239</u>
<i>Passed Through Ohio Department of Mental Health</i>			
Medical Assistance Program Medicaid, Title XIX - OBRA	93.778	FY 05 FY 06	1,483 900
Medical Assistance Program Medicaid, Title XIX - Assistance		MC-24 05 MC-24 06	1,546,443 <u>582,567</u>
Total Title XIX			2,131,393
Total Medical Assistance, Medicaid			2,261,632
Prevention and Treatment Block Grant	93.958	FY 05 FY 06	29,237 46,555

**FINANCIAL CONDITION
JEFFERSON COUNTY**

**FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
Suicide Prevention Grant	93.958	BG-46	9,454
Recovery Summit Grant	93.958	BG 3	5,000
			90,246
Block Grants for Prevention and Treatment of Substance Abuse (Children Adolescence Core Services)	93.959	FY 05	10,987
		FY 06	12,651
Total Block Grant for Prevention and Treatment	93.959		<u>23,638</u>
Teenscreen		FY 05	5,000
Social Services Block Grant	93.667	FY 05	50,229
		FY 06	24,489
Total Title XX			<u>74,718</u>
All Hazards Training Grant	93.003	FY 05	4,178
Total U.S. Department of Health and Human Services			6,566,543
U.S. Department of Justice			
Public Safety Partnership and Community Policing Grant	16.710	2002-SHWX-0500	111,149
Community Prosecution and Project Safe Neighborhood Program	16.609	2003-PP-CX-0013	2,742
		2003-PS-PSN-317	10,483
			<u>13,225</u>
Drug Grant Discretionary Grant Program	16.585	2003-DC-BX-0007	43,852
<i>Passed through Ohio Attorney General</i>			
Crime Victim Assistance Program	16.575	2004 VAGENE 030T	29,168
		2005 VAGENE 030T	8,910
Total Crime Victim Assistance Grant			<u>38,078</u>
<i>Passed through Ohio Department of Youth Services</i>			
Juvenile Detention Department			
Juvenile Accountability Incentive Block Grant	16.523	2002-JB-002-B013	19,062
		2002-JB-002-B027	7,000
		2004-JB-002-B027	210
Juvenile Court			
Juvenile Accountability Incentive Block Grant - Sex Offender Treatment Program	16.523	2003-JB-011-A013	1,841
			<u>28,113</u>
Juvenile Justice and Delinquency Prevention -Drug Court Treatment Program	16.540	2003-JJ-DP2-0054	7,071
		2004-JJ-DP2-0054	14,992
			<u>22,063</u>
<i>Passed through the Office of Criminal Justice Services</i>			
Violence Against Women Formula Grants	16.588	2004-WF-VA2-8249	13,511
		2001 WF- VA2-8249	13,600
			<u>27,111</u>
Total U.S. Department of Justice			283,591
U.S. Department of Transportation			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning Construction Program	20.205	OH-04-03	5,710
		OH-05-01	375,698
			<u>381,408</u>
<i>Passed through Governors Highway Safety Office</i>			
State and Community Highway Safety Grant	20.600	LEO-2006-41-00-00495	12,861
Total U.S. Department of Transportation			<u>394,269</u>

**FINANCIAL CONDITION
JEFFERSON COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2005
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entitty Number	Expenditure
U.S. Department of Labor			
<i>Passed Through the Ohio Department of Job and Family Services</i>			
WIA Adult Programs	17.258	N/A	250,118
WIA Adult Administrative		N/A	
Wheeling Pittsburgh Steel Project		N/A	391,350
WIA Youth Activities	17.259	N/A	326,850
WIA Youth Administrative		N/A	7,791
WIA Dislocated Worker	17.260	N/A	62,705
Rapid Response		N/A	115,245
Flood Grant	17.260	N/A	284,731
Flood Grant	17.260	N/A	765,036
WIA Incentive Grant	17.266	N/A	<u>34,728</u>
Total U.S. Department of Labor			2,238,554
Federal Aviation Administration			
Airport Improvement Program	20.106	AIP3-39-0074-1104 AIP3-39-0074-09-01	28,084 <u>308,466</u>
Total Federal Aviation Administration			336,550
Election Assistance Commission			
<i>Passed through the Ohio Secretary of State</i>			
Help America Vote Act - Voter Education and Poll Worker Training Grant	39.011	N/A	13,216
Help America Vote Act - Voting Machines	90.401	N/A	<u>684,519</u>
Total Election Assistance Commission			697,735
Total Federal Awards Expenditures			<u><u>\$13,016,562</u></u>

The accompanying notes to this schedule are an integral part of this schedule.

**FINANCIAL CONDITION
JEFFERSON COUNTY**

FISCAL YEAR ENDED DECEMBER 31, 2005

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

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 FOOD DISTRIBUTION

Non monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At December 31, 2005, the County had no significant food commodities in inventory.

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Auditor of State Betty Montgomery

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

Jefferson County
301 Market Street
Steubenville, Ohio 43952

To the Board of Commissioners:

We have audited the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Jefferson County, Ohio (the County) as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 20, 2006, in which we indicated we did not audit the financial statements of JeffCo Workshop, as those financial statements were audited by other auditors. We also noted a going concern issue regarding the County's self insurance fund deficit and its ability to meet the obligations of the self insurance program. 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matter involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the County's management dated June 20, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the County's 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 such an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2005-001 through 2005-004. In a separate letter to the County's management dated June 20, 2006, we reported other matters related to noncompliance we deemed immaterial.

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Financial Condition
Jefferson County
Independent Accountants' Report on Internal Control over Financial
Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, Board of 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 20, 2006



Auditor of State Betty Montgomery

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

Jefferson County
301 Market Street
Steubenville, Ohio 43952

To the Board of Commissioners:

Compliance

We have audited the compliance of Jefferson 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, 2005. The summary of the 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.

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 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 such 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, Jefferson 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, 2005.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

FEDERAL AWARDS EXPENDITURE SCHEDULE

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Jefferson County, Ohio as of and for the year then ended December 31, 2005, and have issued our report thereon dated June 20 2006 in which we indicated we did not audit the financial statements of JeffCo Workshop, as those financial statements were audited by other auditors. We also noted a going concern issue regarding the County's self insurance fund deficit and its ability to meet the obligations of the self insurance program. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying federal awards expenditures schedule 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.

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



Betty Montgomery
Auditor of State

June 20, 2006

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2005**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 ' .505**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions 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)	CFDA# 90.401 Help America Vote Act CFDA # 93.778 Medicaid Assistance Program Medicaid Title XIX Assistance CFDA #97.004 State Domestic Preparedness Equipment Support Program
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 390,496 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2005**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
(Continued)**

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

Finding Number	2005-001
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Non Compliance Citation

Ohio Revised Code Section 5705.10 provides that money paid into any fund shall be used for the purpose for which it was established. At December 31, 2005, the Permissive Sheriff's Fund, the Jail Operating Levy Fund and the Self Insurance Health Fund had deficit balances of \$253,241, \$2,718,217 and \$5,530,837 respectively.

These deficit balances indicate that money from another fund(s) has been used to pay the obligations of the aforementioned funds.

Officials' Response

The deficit fund balances in the Permissive Sheriff Fund, the Jail Operating Levy Fund and the Self Insurance Health Fund have existed for a number of years. The County currently has a plan in place which will eliminate the deficit balance in the Self Insurance Health Fund. The deficit balance in the Permissive Sheriff Fund has gradually declined over the past few years. It is the County's hope that this deficit will be eliminated in the near future. The deficit balance in the Jail Operating Levy Fund still needs to be addressed, and a plan needs to be devised that will eliminate this deficit.

Finding Number	2005-002
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Non Compliance Citation

Ohio Revised Code Section 5705.41(D) provides that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every contract made without such a certificate shall be void, and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in sections 5705.41(D)(1) and 5705.41(D)(3), respectively of the Ohio Revised Code.

- 1. Then and Now Certificate** – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board of Commissioners may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid. If the amount involved is less than \$100 the fiscal officer may authorize payment through a Then and Now Certificate without affirmation of the Board of Commissioners if such expenditure is otherwise valid.

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2005**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
(Continued)**

2. **Blanket Certificate** – Fiscal officers may prepare “blanket” certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not be, limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. **Super Blanket Certificate** – The County may also make expenditures and contracts for any amount from a specific line item appropriation in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket may be outstanding a particular time for any line item appropriation.

The County did not properly certify or record the amount against the applicable appropriation accounts for 13% of tested expenditures. The County did not utilize the certification exceptions described above.

Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances. Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the County’s funds exceeding budgetary spending limitations, the County departments should obtain approved purchase orders which include the fiscal officers certification that the amount required to meet the obligation has been lawfully appropriated and authorized prior to making a commitment. When prior certification is not possible, “then and now” certification should be used.

The County fiscal officer should certify purchases to which section Ohio Revised Code Section 5705.41(D) applies. The most convenient certification method is to use purchase orders that include the certification language which Ohio Revised Code section 5705.41(D) requires to authorize disbursements. The fiscal officer should sign the certification at the time the County incurs a commitment, and only when the requirements of Ohio Revised Code Section 5705.41(D) are satisfied. The fiscal officer should post approved purchase commitments to the proper appropriation code to reduce the available appropriation.

Officials’ Response

The County has established policies, procedures, and internal controls pertaining to the expenditure of public funds. However, as is the case with numerous public entities, policies, procedures, and internal controls do not always function as intended. While the County feels that its policies, procedures, and internal controls for the expenditure of public funds are adequate to ensure compliance with applicable statutes, we realize that in any entity of this size, instances occur where adopted policies, procedures, and internal control are not adequately followed. In order to help ensure that the established policies, procedures, and internal controls for the expenditure of public funds function as intended, we will inform all officials and department heads of the specific policies, procedures, and internal controls that have been adopted by the County. In addition, we will stress to these officials and department heads the importance that these policies, procedures and internal controls be followed. This should allow the County’s adopted policies, procedures, and internal controls for the expenditure of public funds to function as intended to help ensure compliance with applicable statutes.

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2005**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
(Continued)**

Finding Number	2005-003
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Non Compliance Citation

Ohio Revised Code Section 5705.41 (B) states that no subdivision or taxing authority unit is to expend money unless it has been appropriated.

The Motor Vehicle Gasoline Tax Fund and the Public Assistance Fund had expenditures plus encumbrances exceeding appropriations by \$ 1,249,732 and \$984,709, respectively.

These variances were due to the expenditure of grant monies which were not included on the County's ledgers and were not appropriated. Federal grants or loans are deemed appropriated for such purpose by the taxing authority as provided by law and shall be recorded by the fiscal officer of the County. However, amounts deemed appropriated still require formal appropriation by the legislative body and of equal compliance importance is whether the fiscal officer records the appropriation in the accounting system, which Ohio Administrative Code 117-2-02(C)(1) requires. When a new grant is received, each County department should notify the Board of County Commissioners so that the grant can be formally appropriated and the fiscal officer should be notified so that the grant appropriations and subsequent expenditures are recorded in the accounting system.

Officials' Response

The County has established policies, procedures and internal controls pertaining to the appropriation of funds. It is our belief that these policies, procedures, and internal controls function adequately. The instances where fund expenditures plus encumbrances exceeded fund appropriations were the result of direct pay items of those particular funds that were not originally run through the County's books. These expenditures were paid directly to the vendors by outside agencies on behalf of the County. These expenditures were included as County expenditures as part of the GAAP conversion. In order to help ensure that all applicable expenditures run through the County's books, we will inform all officials and department heads of the importance of accounting for all direct pay expenditures that are made by outside agencies on behalf of the County.

Finding Number	2005-004
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Non Compliance Citation

Ohio Revised Code Section 5705.39 prohibits a political subdivision from making a fund appropriation in excess of the total estimated revenue available for expenditure from that fund as certified by the budget commission on the Amended Official Certificate of Estimated Resources.

Appropriations exceeded the amount certified as available by the budget commission in the Jail Operating Fund by \$247,725. Failure to limit appropriations to the amount certified by the budget commission could result in overspending and negative cash balances.

The County should compare appropriations to estimated resources and if adequate resources are available for additional appropriations, the County should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriations resolution should be passed by the Board of County Commissioners to reduce appropriations.

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2005**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
(Continued)**

Officials Response

The County has established policies, procedures, and internal controls pertaining to budgetary procedures that we believe are adequate to ensure compliance with applicable statutes. However, due to the deficit balance in the Jail Operating Levy Fund, complete compliance with all applicable budgetary requirements could not always be achieved. While appropriations in the Jail Operating Levy Fund were within current year estimated revenues as certified to the budget commission, the deficit balance caused appropriations to exceed total estimated resources in that fund. The County will continue to monitor budgetary compliance and will attempt to achieve budgetary compliance with applicable statutes.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS	
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None	
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**FINANCIAL CONDITION
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2004-001	Ohio Revised Code § 5705.10 Several funds had deficit balances	No	Cited again in 2005
2004-002	Ohio Revised Code § 5705.41 (D) expenditures were not properly certified	No	Cited again in 2005

Jefferson County, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2005

Prepared by the Jefferson County Auditor's Office:

Patrick J. Marshall
Jefferson County Auditor

Jefferson County, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2005

Patrick J. Marshall

Jefferson County Auditor

Prepared by the Jefferson County Auditor's Office

Michael Warren

Deputy Auditor

Lewis Piergallini

Deputy Auditor

Joseph K. Boni

Deputy Auditor

Vickie Eberts Winski

Deputy Auditor

Introductory Section

**Jefferson County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
Table of Contents**

	<u>Page</u>
I. Introductory Section	
Table of Contents	i
Transmittal Letter	v
GFOA Certificate of Achievement.....	xv
Elected Officials	xvi
Organizational Chart	xvii
II. Financial Section	
Report of Independent Accountants	1
Management’s Discussion and Analysis	3
Basic Financial Statements	
Government Wide Financial Statements:	
Statement of Net Assets.....	13
Statement of Activities	14
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	16
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22

(Continued)

**Jefferson County, Ohio
 Comprehensive Annual Financial Report
 For the Year Ended December 31, 2005
 Table of Contents (Continued)**

Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual	
General Fund	23
Public Assistance Fund	24
Motor Vehicle and Gasoline Tax Fund	25
Mental Health Fund	26
Mental Retardation and Developmental Disabilities Fund	27
Jail Operating Levy Fund	28
Statement of Fund Net Assets – Proprietary Funds	29
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	30
Statement of Cash Flows – Proprietary Funds	31
Statement of Fiduciary Assets and Liabilities – Agency Funds	33
Notes to the Basic Financial Statements	34
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions	95
Combining Balance Sheet – Nonmajor Governmental Funds	97
Combining Balance Sheet – Nonmajor Special Revenue Funds	98
Combining Balance Sheet – Nonmajor Capital Projects Funds	100
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	102
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	104

(Continued)

Jefferson County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
Table of Contents (Continued)

Combining Statements – Internal Service Funds:

Fund Descriptions.....	105
Combining Statement of Fund Net Assets – Internal Service Funds.....	106
Combining Statement of Revenues, Expenses and Changes In Fund Net Assets - Internal Service Funds.....	107
Combining Statement of Cash Flows - Internal Service Funds.....	108

Combining Statements – Fiduciary Funds:

Fund Descriptions.....	109
Combining Statement of Changes in Assets and Liabilities – All Agency Funds	110

Individual Fund Schedules of Revenues, Expenditures/Expenses
and Changes in Fund Balance/Equity – Budget (Non-GAAP Basis) and Actual:

Major Funds:

General Fund.....	115
Public Assistance Fund	122
Motor Vehicle and Gasoline Tax Fund.....	123
Mental Health Fund	124
Mental Retardation and Developmental Disabilities Fund	125
Jail Operating Levy Fund.....	126
Sewer Fund	127
Water Fund.....	128

Nonmajor Funds:

Miscellaneous Local Fund	129
Court/Corrections and Public Safety Fund	132
Emergency 911 Fund	136
Permissive Sheriff Fund.....	137
Tuberculosis/Crippled Child Levy Fund.....	138
Children Services Fund.....	139
Community Development Block Grant Fund.....	140
Federal Emergency Management Assistance Fund	141
Senior Citizens Levy Fund.....	142
Debt Service Fund.....	143
Permanent Improvement Fund.....	144
Voting Machines Fund.....	145
Self Insurance – Health Fund.....	146
Self Insurance – Workers’ Compensation Fund	147

(Continued)

Jefferson County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
Table of Contents (Continued)

III. Statistical Section

General Fund Expenditures by Function – Last Ten Years	S2
General Fund Revenues by Source – Last Ten Years.....	S4
Property Tax Levies and Collections – Real and Public	
Utility Taxes – Last Ten Years	S6
Property Tax Levies and Collections – Tangible Personal	
Property Taxes – Last Ten Years.....	S8
Assessed and Estimated Actual Value of Taxable	
Property – Last Ten Years	S10
Property Tax Rates – Direct and Overlapping	
Governments – Last Ten Years	S12
Special Assessments Billed and Collected – Last Ten Years	S14
Computation of Legal Debt Margin.....	S15
Ratio of Net General Obligation Bonded Debt to Assessed	
Value and Net Bonded Debt per Capita – Last Ten Years	S16
Ratio of Annual Debt Service Expenditures for General Obligation	
Bonded Debt to Total General Fund Expenditures – Last Ten Years	S17
Computation of Direct and Overlapping General	
Obligation Bonded Debt.....	S18
Revenue Bond Coverage – Last Ten Years	S19
Demographic Statistics	S20
Ten Largest Employers	S21
Property Value, Construction and Bank	
Deposits – Last Ten Years.....	S22
Principal Property Taxpayers.....	S24
Miscellaneous Statistics	S26

OFFICE OF THE AUDITOR JEFFERSON COUNTY, OHIO

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County Auditor

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June 20, 2006

To the Honorable Board of County Commissioners
and Citizens of Jefferson County,

As Auditor of Jefferson County, it gives me great pleasure to present the County's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2005. This report has been carefully prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides a full and complete disclosure of the financial position and operations of the County.

The information contained in this report will assist County officials in making management decisions and will provide the taxpayers of Jefferson County with comprehensive financial data in a format that enables them to gain a true understanding of the County's financial affairs. The general public, as well as investors, will be able to compare the financial position of Jefferson County and the results of its operations with other governmental entities.

This is the ninth consecutive Comprehensive Annual Financial Report issued by the Auditor's office. The report is prepared in accordance with Generally Accepted Accounting Principles, as set forth by the Government Accounting Standards Board (GASB) and other authoritative sources, and the guidelines set by the Government Finance Officers Association (GFOA).

Legal Requirements

State law requires every general purpose local government to file with the Auditor of State and publish notice of the availability of the financial statements within 150 days of fiscal year end. The completion of this Comprehensive Annual Financial Report (CAFR), the filing of this report with the Auditor of State, and the published notice of the availability of the financial report will allow the County to comply with these requirements, as well as the requirements of the Single Audit Act.

Assumption of Responsibility

Responsibility for the accuracy, completeness, and fairness of the presentation, including all disclosures, lies with the management of Jefferson County and, in particular, the Jefferson County Auditor's Office. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities and status are included herein.

Fund Accounting

Jefferson County's accounting system is organized on a "fund basis". Each fund is a self-balancing set of accounts.

Internal Control Structure

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 an automated system for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

Independent Audit

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of December 31, 2005, by our independent auditor, the Auditor of the State of Ohio. Their audit was conducted in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. In addition, the audit was designed to meet the requirements of the Federal Single Audit Act of 1984, as amended in 1996, and related OMB Circular A-133.

County management plans to continue to subject the County's financial statements to an annual independent audit as part of the preparation of a Comprehensive Annual Financial Report. An annual audit also serves to maintain and strengthen the County's accounting and budgetary controls.

Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes a table of contents, this transmittal letter, the 2004 Certificate of Achievement for Excellence in Financial Reporting, a list of elected officials, and the County's organizational chart. The financial section includes the Report of Independent Accountants, Management's Discussion and Analysis (MD & A), the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, the Combining Statements for non-major funds and other schedules that provide detailed information relative to the Basic Financial Statements. The statistical section includes financial and demographic information which is generally presented on a multi-year basis.

A more detailed assessment of the County's finances for 2005 can be found in Management's Discussion and Analysis beginning on page 3.

THE PROFILE OF THE GOVERNMENT

The County

Created in 1797, Jefferson County is located in east central Ohio along the west bank of the Ohio River. Its 410 square mile area is bordered on the north by Columbiana County, on the south by Belmont County, on the west by Carroll and Harrison Counties, and on the east by the State of West Virginia. The County encompasses 14 townships and 19 cities and villages, the largest of which is the City of Steubenville, the County Seat. The County's 2005 population of 70,599 placed it as the thirty-sixth most populous of the State's 88 Counties. The County is in the Steubenville-Weirton, Ohio-West Virginia Metropolitan Statistical Area (MSA), which is comprised of the County and Brooke and Hancock Counties of West Virginia. The Steubenville-Weirton, Ohio-West Virginia Metropolitan Statistical Area (MSA) is the 285th largest of the 361 combined consolidated metropolitan statistical areas and metropolitan statistical areas in the United States.

The County is served by diversified transportation facilities. Approximately 20 motor freight carriers and local haulers serve the Jefferson County area. Major railroads serving the County include the Norfolk Southern Railway, the Wheeling Lake Erie Railway, and the Ohio Central Rail Corporation. Nationwide bus transportation service to the area is provided by Greyhound. Local bus transportation service is provided by the Steel Valley Transit Authority and the Eastern Ohio Regional Transit Authority. Airline transportation services to the County are provided by the Jefferson County Airport located in Cross Creek Township and by the Pittsburgh International Airport, located approximately 22 miles east of the County.

The County provides immediate access to ten State highways and two U.S. highways (including U.S. Route 22 which directly links the County to the City of Pittsburgh and the Pittsburgh International Airport). The County also provides immediate access to nearby interstate highways I-70 and I-77.

Primary educational services are provided by the 7 school districts located within the County. Secondary and post secondary educational services are provided by a number of public and private colleges and universities located within the County or within commuting distance of the County. The Franciscan University of Steubenville and Jefferson Community College are both located in Steubenville. A Kent State University Branch, located in East Liverpool, Youngstown State University, located in Youngstown, West Virginia Northern Community College, Bethany College, and West Liberty State College, located near Wheeling, West Virginia, and the University of Pittsburgh, Duquesne University, and Carnegie-Mellon University, located near Pittsburgh, Pennsylvania are all located within commuting distance of the County.

The County is served by a number of commercial banks and savings and loan associations with headquarters outside the County.

Three daily newspapers serve the County. The County is within the broadcast area of five local television stations and forty AM and FM radio stations. Multi-channel cable television service, including educational, governmental, and public access channels is provided by the County's two cable television franchises.

The County is directly served by two branches of Trinity Health Care located in Steubenville, Ohio. The two branches make up a 624 bed acute care hospital system. Within a 25 mile commuting distance of the County are East Liverpool City Hospital, a 263 bed acute care hospital located in East Liverpool, Ohio and Weirton Medical Center, a 265 bed acute care hospital located in Weirton, West Virginia. Life flight services are provided to the Pittsburgh, Pennsylvania area hospitals.

Cultural and recreational offerings are made available to County area residents by the Jefferson County Historical Museum, the Steubenville Art Association, the Tri-State Symphonette, the Steubenville Players, the Steubenville Community Concerts Association, the St. John Arena, 280 acres of public park land which includes golf, tennis, swimming, skating, baseball, and basketball facilities, Fernwood Forest (a State owned 1,400 acre park), Jefferson Lake (covering 93 acres), Friendship Park (a County owned 1,000 acre park), and Austin Lake (privately owned covering 1,750 acres).

The cities, villages, and townships, together with various special districts and other governmental entities operating in the County, are responsible for many local governmental services and make significant expenditures to provide such services to County residents. The County, nonetheless, has significant responsibilities in the areas of administration of justice, road and bridge maintenance, health care, sanitation, public welfare, social services, and public assistance.

Component Units

For financial purposes, the County includes all funds, account groups, agencies, boards, and commissions making up Jefferson County (the Primary Government) and its Component Unit 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 Childrens Services Board, the Jefferson County Board of Mental Retardation and Developmental Disabilities, the Prevention and Recovery Board, the Department of Job and Family Services, the Veteran's Service Commission, the Regional Airport Authority, the Jefferson County Water and Sewer District, and all departments and activities that are directly operated by the County elected officials.

Component units are legally separate organizations which are fiscally dependent on the County or for which the County is financially responsible. The Jeffco Sheltered Workshop of Jefferson County has been included as a discretely presented component unit.

The County serves as fiscal officer and custodian of funds, but is not financially accountable, for the Jefferson County Health Department, the Soil and Water Conservation District, and the Local Emergency Planning Commission, whose activities are included in this report as agency funds.

The County participates in the Jefferson County Regional Planning Commission which is a joint venture. The Jefferson County Cluster, the East Ohio Correctional Facility, the Brooke-Hancock-Jefferson Metropolitan Planning Commission (BHJ), the Southeast Ohio Juvenile Rehabilitation District (SOJRD), the Area Office of Aging, the Ohio Mid-Eastern Governments Association (OMEGA), the Jefferson-Belmont Joint Solid Waste Authority, the Jefferson County Family and Children First Council, and the Belmont, Carroll, Harrison and Jefferson Counties Council of Government are jointly governed organizations. The Jefferson Metropolitan Housing Authority and the Jefferson Community College are related organizations. The County participates in the County Risk Sharing Authority and the Ohio Mid-Eastern Regional Education Service Agency (OME-RESA) Self Insurance Plan which are public entity risk sharing pools.

A complete discussion of the County's reporting entity is provided in Note 1 to the Basic Financial Statements.

Form of Government

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 letting 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 Auditor also serves as the administrator of the County Data Processing Board.

The County Treasurer is the custodian of all County funds. The Treasurer is responsible for the investment of idle County funds, as specified by Ohio law. The Treasurer is also responsible for collecting all tax monies and applying those payments to the appropriate tax accounts. 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 three County Court Districts. The County Prosecuting Attorney's Office and the County Justice Facility are also maintained by the County. In addition to the responsibilities as a prosecutor of criminal cases, the County Prosecuting Attorney is designated by Ohio law as the chief legal counsel for all County officers, boards, and agencies, including the Board of County Commissioners, the County Auditor, the County Treasurer, and all townships and local school districts. The County Prosecuting Attorney is also a member of the County Budget Commission.

The Clerk of Courts keeps all official records of the Common Pleas Court. The office of the 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. His primary duty is to enforce the law in unincorporated areas of the County. The County Sheriff's Department does provide certain specialized services and will assist local law enforcement officers upon their request. The Sheriff also operates the Jefferson County Justice Facility and is responsible for its inmates, including persons detained for trial or transfer to other institutions. As an officer of the courts, the Sheriff is in charge of the service of court documents.

Budgetary Controls

By statute, the Board of County Commissioners adopts a temporary appropriation measure for the County on or about the first day of January. The Board of County Commissioners adopts a permanent appropriation measure by the first day of April. All disbursements and transfers of cash between funds require appropriation authority from the Board of County Commissioners. Budgets are controlled at the major account level within a department and fund. Purchase orders are submitted to the County Auditor's office by department heads and are encumbered prior to their release to vendors. Those purchase orders which exceed the available appropriations are rejected until additional appropriations are secured.

A computerized certification system allows the County Auditor's office to ascertain the status of the department's appropriations before authorizing additional purchases from a particular account. Additional information regarding the County's budgetary accounting can be found in the Notes to the Basic Financial Statements.

LOCAL ECONOMY

The County's main industry and source of jobs continues to be the area's steel mills. However, local steel producers continue to face uncertain times as the Country, as well as the local area, deal with the steel import crisis as well as the recent downturn in the nation's overall economy. These factors have forced reorganization plans as well as workforce reductions within the area's steel mills. It is the belief of the local steel industry executives that these reorganization plans along with the remaining tariffs imposed on steel imports will allow local steel mills to compete with overseas competitors on a level playing field. It is also believed that these steps will provide the local steel industry with the necessary time to make changes to remain competitive on a long-term basis.

However, positive signs of economic activity and growth continue to emerge. The completion of the U.S. Route 22 bypass in Jefferson County has greatly enhanced transportation access to the County. The completion of this bypass along with improvements between Weirton, West Virginia and Western Pennsylvania to the east, greatly improve access to Pittsburgh markets. These factors have helped spur further growth in the County.

Nowhere is this growth more evident than on a 150 acre site in the Island Creek Township portion of the County. This location was chosen as the site of a new Wal Mart food distribution center. The ceremonial grand opening of the 880,000 square foot distribution center was held in May of 2003. This \$75 million project was fully operational by late 2003, and created approximately 600 new jobs. This distribution center services Wal-Mart stores within a 100 mile radius.

A 93 acre industrial park, located just off of the U.S. Route 22 bypass, is a key component in the County's economic development strategy. Construction was completed in the spring of 2000 on \$2 million in infrastructure improvements to serve the industrial park. The County-owned park is located just over 1 mile from the four-lane U.S. Route 22, and is part of an area which, overall, has more than 1,000 acres available for development. The location has excellent highway access and is near a skilled, plentiful workforce. The industrial park is currently the home of Bulldog Securities. Additional businesses expected to open in 2006 include QPI Tools and Wildfire Motors.

Another industrial park, the Wintersville Industrial Park, opened in 1996. Since that time, four buildings have been constructed in this privately owned park. Each of these buildings is currently occupied. Future improvements and expansion plans are currently in the planning process.

At the same time, the County began to develop the County airport by enlarging the facility, lengthening the runway, constructing new hangars, and constructing a building for the beginning of a small manufacturing complex. This \$2.75 million upgrade was completed in 1996. A plan is currently in place to provide for further expansion over the next several years. A new \$4 million upgrade to lengthen the runway to 5,000 feet was sparked by the County Commissioner's 1998 purchase of 165 acres of land to be utilized for future airport expansion. This plan calls for further lengthening of the runway to allow larger sized private jets to land at the Airport. The first phase of this plan, which consisted of safety improvements, was completed in late 2000. The second phase of this plan, which consisted of an obstruction removal, was completed in 2001. The third phase of the plan, which consisted of a road relocation, was completed in late 2002. The final phase of this plan, which consisted of the runway extension, was completed in late 2005.

A \$275 million capital investment in the Cardinal Power Plant, located in the Wells Township portion of the County, was announced in August 2001. The facility upgrades will help reduce nitrogen oxide emissions by 90%. The project was completed in late 2003. Recently, plans were announced for preliminary studies and engineering for the installation of flue gas desulfurization (FGD) systems on 2 units at the plant. FGD systems, commonly called scrubbers, reduce sulfur dioxide emissions by up to 98%. Early estimates are that the FGD installations will cost \$200 million per unit.

Plans were also announced for preliminary studies and engineering for the installation of flue gas desulfurization (FGD) systems at FirstEnergy Corporation's W.H. Sammis plant in northern Jefferson County. Early estimates are that the FGD installations will cost approximately \$1.1 billion

In September of 2004, Wheeling-Pittsburgh Steel started operation of a \$115 million electric arc furnace (EAF). The EAF replaced one of the company's two operating blast furnaces, and is a major component of the company's long-term plan to remain competitive in the global steel market.

Timet, a titanium metals processor located in Toronto, continues to make capital investments in new machinery and equipment. Since 1995, the company has invested over \$55 million in modernization and expansions, and has more than doubled its workforce to almost 500 employees in the last few years.

The \$3.5 million Tony Teramana Cancer Center, located in Steubenville, opened in the spring of 2000. This state-of-the-art cancer treatment facility is part of the Trinity Health Systems' services in eastern Ohio. Trinity Health Systems also opened new offices throughout the County. These new offices offer expanded services to residents in outlying areas of the County. In addition, construction was recently completed on a \$7 million 79,000 square foot addition to Trinity's west campus.

LONG TERM FINANCIAL PLANNING

The recent rise in the local unemployment rate has caused some reason for concern regarding the County's long term financial planning. Any significant unfavorable change in the unemployment rate usually leads to lower sales tax collections, such as the slight decrease that occurred in 2005. In order to avoid any potential revenue shortfalls should sales tax collections decline significantly, the County has taken a very conservative approach with current spending. Budget restraints have been implemented in order to conserve spending and help maintain a sufficient spending reserve as a hedge against future revenue shortfalls.

The County is also working on plans to overcome the loss of personal property tax revenues under the State's implementation of H.B. 66, which will phase out personal property taxes on businesses. The County's intent is to have a plan in place prior to the elimination of the taxes and the current revenue replacement subsidy provided by the State.

The increase in gasoline and gasoline related items has caused a major concern for the County Engineer's Office. These price increases have caused the cost of road repair projects to increase dramatically. Consequently, the Engineer's Office is in the process of revising its long-term road projects plans. The goal is to implement a revised plan that will keep all County roads in a condition that meets or exceeds required safety standards, while allowing the department to stay within budget.

RELEVANT FINANCIAL POLICIES

During late 2004 and early 2005, the County experienced severe flood damage in several areas. As a result of this damage, the County has been awarded a number of FEMA grants to help cover a portion of the costs associated with road and slip repair projects. The associated repair costs, including the Federal, State and local share, are all reported as program expenses in accordance with the County Engineer's policy which provides for the non-capitalization of road and slip repair projects that will not extend the original useful life of the assets.

MAJOR INITIATIVES

The County has a number of projects underway to help government run more efficiently and help the County compete for future job growth.

Industrial Park

A 93 acre campus style industrial park, located just off of the U.S. Route 22 bypass, is one of the County's major initiatives, and a key component in the County's economic development strategy. Construction was completed in the spring of 2000 on \$2 million in infrastructure improvements to serve the industrial park. The County-owned park is part of an area which, overall, has more than 1,000 acres available for development. The location has excellent highway access and is near a skilled, plentiful workforce. Over the next five years, the industrial park is projected to generate private investment of \$25 million and create over 350 new jobs.

Airport

The County recently completed an airport expansion project. The scope of this \$2.75 million project was targeted at development of the County airport by enlarging the facility, lengthening the runway, constructing new hangars, and constructing a building for the beginning of a small manufacturing complex. This \$2.75 million upgrade was completed in 1996. A plan is currently in place to provide for further expansion over the next several years. A new \$4 million upgrade to lengthen the runway to 5,000 feet was sparked by the County Commissioner's 1998 purchase of 165 acres of land to be utilized for future airport expansion. This plan calls for further lengthening of the runway to allow larger sized private jets to land at the Airport. The first phase of this plan, which consisted of safety improvements, was completed in late 2000. The second phase of this plan, which consisted of an obstruction removal, was completed in 2001. The third phase of the plan, which consisted of a road relocation, was completed in late 2002. The final phase of this plan, which consisted of the runway extension, was completed in late 2005.

Road and Bridge Improvement

The County, through the County Engineer's Office, implemented an accelerated road and bridge improvement program throughout the County. This \$5.3 million project, completed in late 2000, brought all County roads and bridges to levels that meet required safety standards. Since that time, the County Engineer has implemented an ongoing maintenance and improvement program for roads and bridges. This plan allows the County Engineer to not only maintain County roads and bridges, but to make additional improvements that will allow all County roads and bridges to exceed required safety standards.

The most recent undertakings by the County Engineer's Office include several projects to repair roads damaged by the severe flooding of late 2004 and early 2005. The last of these repair projects is expected to be completed during 2006.

Geographic Information System

The County is currently in the process of implementing a Geographic Information System (GIS). This project is a joint effort, being completed with the cooperation of the Commissioner's Office, the County Engineer's Office, the County Auditor's Office, the Water and Sewer Department, the Emergency 911 Department, the Data Processing Department, and the Board of Elections.

As this project progresses, it is anticipated that a number of other departments and agencies will become involved in this project in the near future. These include the Regional Planning Commission, the Department of Mental Retardation and Developmental Disabilities, the Children Services Board, the Department of Litter Control and Recycling, the Prosecuting Attorney's Office, Progress Alliance, and the Brooke-Hancock-Jefferson Planning Commission.

Once completed, this project will provide a vast array of information to each of these departments and agencies. The data provided by this GIS system will aid each of these departments and agencies in the completion of their day-to-day operations by providing continually updated information that is specifically tailored to each department and agency. The Geographic Information System (GIS) will also allow Jefferson County to deliver services to a diverse customer base. Information will be available to help provide the following services: neighborhood indicators and asset mapping, social services master plan development, benchmarking, regional and community planning, policy and program coordination, data collection, data analysis, and promotion of economic development plans. In addition, the project will provide accurate and up-to-date information that will benefit the citizens who depend on County departments.

Economic development agencies will have important and valuable information readily available to provide to potential developers. This information can be used as an important tool to help persuade developers to invest in Jefferson County.

Water and Sewer

Jefferson County's Water and Sewer Department has adopted a long range plan to perform a number of water improvement projects and sanitary sewer projects. These scheduled projects will allow the County to meet all current EPA mandated system improvements. Additionally, these projects will allow the County to provide water and sanitary sewer service to a number of new areas throughout the County. These projects include the Bergholz Waterline Connector, the County Road 646 Waterline Connector, the Crestview-Belvedere Sanitary Sewer project, the Sunshine Park Sanitary Sewer project, and a number of other smaller projects. Each of these projects will be completed through a combination of O.P.W.C. grants, O.W.D.A. loans, and bank loans.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jefferson County for its comprehensive annual financial report for the fiscal year ended December 31, 2004. This was the eighth 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.

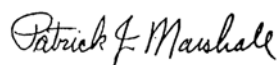
ACKNOWLEDGMENTS

The publication of this CAFR represents an important achievement in the ability of Jefferson County to provide significantly enhanced financial information and accountability to the citizens of Jefferson 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.

I would like to acknowledge the efforts of the entire staff of the Jefferson County Auditor's office and Data Processing Department for their contributions to this report. Special thanks are extended to Michael S. Warren, Deputy Auditor, for his effort and dedication to this project. My appreciation is also extended to the Local Government Services Division of the Auditor of State's Office for their guidance and assistance.

I would also like to thank all of the elected officials, department heads, and their staffs for their assistance and cooperation with the preparation of this CAFR. I ask for their continued support of this project and of my efforts toward continuing the sound financial management for Jefferson County.

Sincerely,



Patrick J. Marshall
Jefferson County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jefferson County,
Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

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.



Carla E. Fudge

President

Jeffrey R. Emmer

Executive Director

**Jefferson County, Ohio
Elected and Appointed Officials**

Elected Officials

Patrick J. Marshall, Auditor

Dr. Thomas E. Graham, Commissioner
Adam Scurti, Commissioner
David Maple, Commissioner

Raymond M. Agresta, Treasurer

John A. Corrigan, Clerk of Courts

John W. Metcalf, Jr., M.D., Coroner

James F. Branagan, Engineer

Thomas Straus, Prosecutor

Paul R. McKeegan, Recorder

Fred J. Abdalla, Sheriff

David Henderson, Common Pleas Court Judge
Joseph J. Bruzzese, Jr., Common Pleas Court Judge
Samuel W. Kerr, Juvenile/Probate Court Judge
Michael C. Bednar, County Court Judge
Joseph M. Corabi, County Court Judge
David J. Scarpone, County Court Judge

Appointed Officials

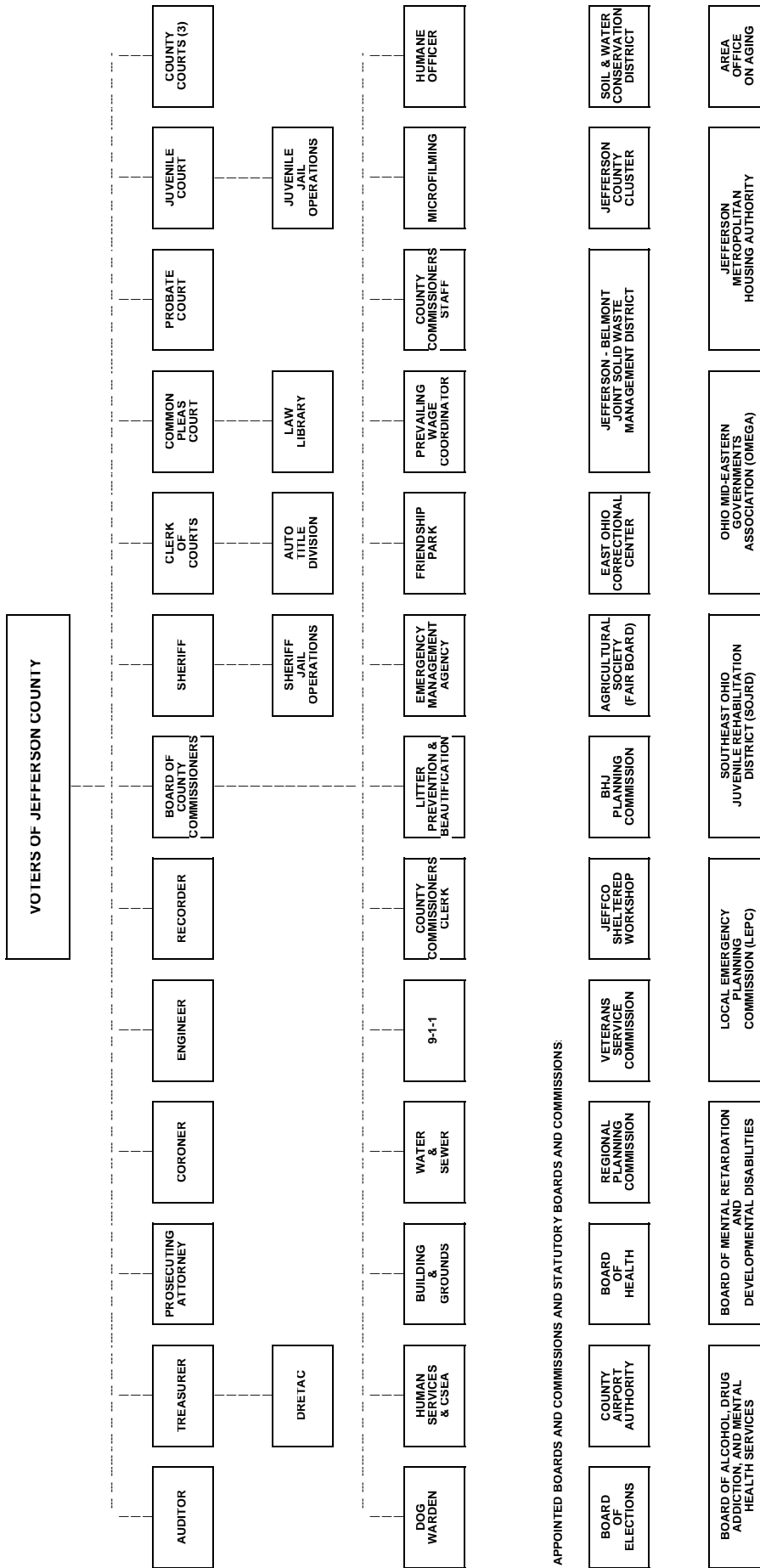
Nicholas S. Balakos, Director
Department of Job and Family Services and Children Services

Richard P. Pfannenschmidt, Superintendent
Board of Mental Retardation/Developmental Disabilities

Pamela M. Petrilla, Director
Prevention and Recovery Board

John T. Gilmore
Sanitary Engineer

JEFFERSON COUNTY GOVERNMENT ORGANIZATIONAL CHART



APPOINTED BOARDS AND COMMISSIONS AND STATUTORY BOARDS AND COMMISSIONS:

BOARDS AND COMMISSIONS COMPOSED OF ELECTED OFFICIALS:

Financial Section



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Jefferson County
301 Market Street
Steubenville, Ohio 43952

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jefferson County, Ohio (the County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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 Jeffco Workshop, which represent 100% of assets and 100% of the revenues for the discretely presented component unit. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for Jeffco Workshop 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jefferson County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General, Public Assistance, Motor Vehicle Gasoline Tax, Mental Health, Mental Retardation Disabilities and Jail Operating Levy funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements have been prepared assuming that Jefferson County will continue as a going concern. As discussed in Note 5A to the basic financial statements, the County's self insurance program is recorded in the self insurance fund and has a deficit fund balance of \$ 5,530,837. The County currently cannot meet the self insurance obligations, which raise substantial doubt about the County's ability to continue as a going concern. Management's plans regarding this matter are also described in Note 11. The basic financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2006, 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 and the other auditors 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 nonmajor fund statements and schedules and statistical tables provide additional information and are not a required part of the basic financial statements. We and the other auditors subjected the combining nonmajor fund statements and schedules to the auditing procedures applied in the audit of the basic financial statements. In our opinion, based on our audit and the report of the other auditors, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We and the other auditors did not subject the introductory section and statistical tables to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Betty Montgomery
Auditor of State

June 20, 2006

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

The discussion and analysis of Jefferson County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2005. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2005 are as follows:

- ❑ The County's total net assets increased by \$9,977 thousand, which represents a 9.55% increase from 2004.
- ❑ At the end of the current year, the County reported deficit unrestricted net assets for governmental activities of \$3,526 thousand. This is the direct result of a deficit unrestricted net assets in the Self Insurance Fund. In order to alleviate this deficit, the County Commissioners have implemented a monthly departmental charge dedicated specifically to the reduction of the existing deficit. In addition, the County Commissioners have increased monthly premium charges and have made significant changes to the plan guidelines.
- ❑ At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$16,105 thousand, an increase of \$2,572 thousand from the prior year. Of this amount, \$14,449 thousand is available for spending (unreserved undesignated fund balance) on behalf of its citizens.
- ❑ The deficit in the Self Insurance Fund has decreased significantly due the implementation of a monthly departmental charge dedicated specifically to the reduction on the existing deficit, as well as significant changes to the plan guidelines

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. Non-major funds are presented separately from major funds in total and in one column.

County-Wide Financial Statements

The County-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.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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 2005?" The Statement of Net Assets and the Statement of Activities answer this question.

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 economic development. 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 Unit - The County's financial statements include financial data of the Jeffco Sheltered Workshop. This component unit is described in the notes to the financial statements. The component unit is 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 objects. 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 our residents. The County's major governmental funds are the General Fund, Job and Family Services (Public Assistance), Motor Vehicle and Gasoline Tax, Prevention and Recovery Board (Mental Health), Mental Retardation and Developmental Disabilities, and Jail Operating Levy Special Revenue Funds.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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.

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 non-major 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 Water Fund operations and Sewer 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 Self-Insurance Funds account for the claims and liabilities relating to the County's self-insured hospitalization program and also account for the claims and liabilities relating to the County's retrospectively rated self-insured worker's 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 Financial Statements - The notes provide additional information that is essential to a 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.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Government-Wide Financial Analysis

Table 1 provides a summary of the County's net assets for 2005 compared to 2004:

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Assets:						
Current and Other Assets	\$ 44,340	\$ 37,461	\$ 5,364	\$ 4,507	\$ 49,704	\$ 41,968
Capital Assets, Net	<u>90,883</u>	<u>89,633</u>	<u>40,298</u>	<u>36,627</u>	<u>131,181</u>	<u>126,260</u>
Total Assets	<u>135,223</u>	<u>127,094</u>	<u>45,662</u>	<u>41,134</u>	<u>180,885</u>	<u>168,228</u>
Liabilities:						
Current and Other						
Liabilities	15,529	16,315	1,749	3,452	17,278	19,767
Long-Term Liabilities	<u>33,742</u>	<u>33,768</u>	<u>15,450</u>	<u>10,255</u>	<u>49,192</u>	<u>44,023</u>
Total Liabilities	<u>49,271</u>	<u>50,083</u>	<u>17,199</u>	<u>13,707</u>	<u>66,470</u>	<u>63,790</u>
Net Assets:						
Invested in Capital						
Assets, Net of						
Related Debt	63,347	62,117	24,312	25,563	87,659	87,680
Restricted	26,131	21,585	388	479	26,519	22,064
Unrestricted	<u>(3,526)</u>	<u>(6,691)</u>	<u>3,763</u>	<u>1,385</u>	<u>237</u>	<u>(5,306)</u>
Total Net Assets	<u>\$ 85,952</u>	<u>\$ 77,011</u>	<u>\$ 28,463</u>	<u>\$ 27,427</u>	<u>\$ 114,415</u>	<u>\$ 104,438</u>

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 \$114,415 thousand (\$85,952 thousand in governmental activities and \$28,463 thousand in business-type activities) as of December 31, 2005. By far, the largest portion of the County's net assets (76.61 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, 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, \$26,519 thousand or 23.18 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, \$237 thousand or .21 percent are to be used to meet the County's ongoing obligations to citizens and creditors. This modest total in total unrestricted net assets is the direct result of a deficit unrestricted net assets in the Health Self Insurance Fund. In order to alleviate this deficit, the County Commissioners have increased monthly premium charges and have made significant changes to the plan guidelines.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Table 2 shows the changes in net assets for 2005 compared to 2004.

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues						
Program Revenues						
Charges for Services	\$ 8,244	\$ 8,190	\$ 5,934	\$ 5,649	\$ 14,178	\$ 13,839
Operating Grants and Contributions	41,119	37,110	0	0	41,119	37,110
Capital Grants and Contributions	<u>773</u>	<u>156</u>	<u>430</u>	<u>137</u>	<u>1,203</u>	<u>293</u>
Total Program Revenues	<u>50,136</u>	<u>45,456</u>	<u>6,364</u>	<u>5,786</u>	<u>56,500</u>	<u>51,242</u>
General Revenues						
Property Taxes	10,320	8,882	0	0	10,320	8,882
Permissive Sales Taxes	9,215	9,245	237	252	9,452	9,497
Intergovernmental	2,605	2,358	0	0	2,605	2,358
Interest	540	229	8	4	548	233
Miscellaneous	<u>1,100</u>	<u>398</u>	<u>62</u>	<u>11</u>	<u>1,162</u>	<u>409</u>
Total General Revenues	<u>23,780</u>	<u>21,112</u>	<u>307</u>	<u>267</u>	<u>24,087</u>	<u>21,379</u>
Total Revenues	<u>73,916</u>	<u>66,568</u>	<u>6,671</u>	<u>6,053</u>	<u>80,587</u>	<u>72,621</u>
Program Expenses						
General Government						
Legislative and Executive	5,175	6,283	0	0	5,175	6,283
Judicial	3,101	3,807	0	0	3,101	3,807
Public Safety	9,832	10,045	0	0	9,832	10,045
Public Works	10,367	7,675	0	0	10,367	7,675
Health	15,679	15,555	0	0	15,679	15,555
Human Services	18,194	16,499	0	0	18,194	16,499
Conservation and Recreation	166	19	0	0	166	19
Economic Development	653	1,381	0	0	653	1,381
Intergovernmental	82	63	0	0	82	63
Interest and Fiscal Charges	1,726	1,633	0	0	1,726	1,633
Sewer	0	0	1,390	1,516	1,390	1,516
Water	<u>0</u>	<u>0</u>	<u>4,245</u>	<u>4,272</u>	<u>4,245</u>	<u>4,272</u>
Total Expenses	<u>64,975</u>	<u>62,960</u>	<u>5,635</u>	<u>5,788</u>	<u>70,610</u>	<u>68,748</u>
Increase in Net Assets	<u>\$ 8,941</u>	<u>\$ 3,608</u>	<u>\$ 1,036</u>	<u>\$ 265</u>	<u>\$ 9,977</u>	<u>\$ 3,873</u>

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Governmental Activities

Operating grants and contributions were the largest program revenues, accounting for \$41,119 thousand or 55.63 percent of total governmental revenues. This represents an increase of \$4,009 thousand from the prior year. The major recipients of intergovernmental program revenues were the Department of Job and Family Services (Public Assistance), Motor Vehicle and Gasoline Tax, Prevention and Recovery Board (Mental Health), and Mental Retardation and Developmental Disabilities governmental activities. The Department of Job and Family Services (Public Assistance) and the Motor Vehicle Gas Tax realized the most significant increases in operating grants and contributions as compared with the prior year.

Property tax revenues account for \$10,320 thousand or 13.96 percent of total governmental revenues. Another major component of general governmental revenues was permissive sales tax revenues, which accounted for \$9,215 thousand or 12.47 percent of total governmental revenues. Property tax revenues experienced a significant increase from the prior year (\$1,438 thousand) due primarily to the passage and collection of a new 1 mill levy for senior citizens, while permissive tax revenues experienced a slight decrease from the prior year (\$30 thousand).

The County's direct charges to users of governmental services made up \$8,244 thousand or 11.15 percent of total governmental revenues. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits. Charges for services increased \$54 thousand from the prior year. This increase is attributed primarily to an increase in fees for real estate transfers.

Human services programs accounted for \$18,194 thousand, or 28.00 percent of total expenses for governmental activities. This represents an increase of \$1,695 thousand from the prior year. This increase is the result of increased federal and state funding for human services programs.

Other major program expenses for governmental activities include health programs, which accounted for \$15,679 thousand, or 24.13 percent of total expenses, and public works programs, which accounted for \$10,367 thousand, or 15.96 percent of total expenses.

Health program expenses increased \$124 thousand from the prior year. This increase is the result of increased federal and state funding for health related programs.

Public works program expenses increased \$2,692 from the prior year. This increase is the result of increased federal and state funding provided for a significant number of flood repair projects.

Business-Type Activities

The net assets for business-type activities increased by \$1,036 thousand during 2005. Charges for services were the largest program revenue, accounting for \$5,934 thousand, or 88.97 percent of total business type revenues. Charges for services increased \$285 thousand from the prior year. This increase is due to a County implemented increases in water and sewer rates, necessary to cover the costs associated with ongoing projects.

Capital grants and contributions account for \$430 thousand, or 6.45 percent of total business type revenues. Capital grants and contributions increased \$293 thousand from the prior year. The majority of this increase is the result of new special assessments for water projects.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues.

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General Government				
Legislative/Executive	\$ 5,175	\$ 6,283	\$ 1,267	\$ 3,603
Judicial	3,101	3,807	2,007	2,261
Public Safety	9,832	10,045	4,352	3,991
Public Works	10,367	7,675	3,266	2,056
Health	15,679	15,555	1,063	2,209
Human Services	18,194	16,499	1,489	3,245
Conservation and Recreation	166	19	166	19
Economic Development	653	1,381	(579)	(1,576)
Intergovernmental	82	63	82	63
Interest and Fiscal Charges	<u>1,726</u>	<u>1,633</u>	<u>1,726</u>	<u>1,633</u>
Total Expenses	<u>\$ 64,975</u>	<u>\$ 62,960</u>	<u>\$ 14,839</u>	<u>\$ 17,504</u>

Charges for services, operating grants, and capital grants of \$50,136 thousand, or 77.16 percent of the total costs of services, are received and used to fund the general government expenses of the County. The remaining \$14,839 thousand in general government expenses is funded by property taxes, permissive sales taxes, non-restricted intergovernmental revenues, interest, and miscellaneous revenues.

The \$1,489 thousand in net cost of services for Human Services demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved a property tax levy for the Childrens Services Board program.

The \$1,063 thousand in net cost of services for Health demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved property tax levies for several programs including the Prevention and Recovery Board (Mental Health) and Mental Retardation and Developmental Disabilities.

For Public Safety, the \$4,352 thousand in net costs of services indicates the general fund, permissive sales tax, and property tax levy support provided 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.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

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.

As of December 31, 2005, the County's governmental funds reported a combined ending fund balance of \$16,105 thousand, an increase of \$2,572 thousand in comparison with the prior year. Approximately \$14,449 thousand, or 89.72 percent of this total, constitutes unreserved undesignated fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending. Of the reserved amount, \$173 thousand has been committed to liquidate contracts and purchase orders of the prior year, \$880 thousand has been reserved for endowments for the childrens home, and \$559 thousand has been reserved for claimants. The County has designated \$44 thousand of fund balance for the purchase of equipment. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the provider of the resource, such as the state or federal government.

The General Fund is the primary operating fund of the County. At the end of 2005, unreserved fund balance was \$2,282 thousand, while total fund balance was \$2,942 thousand. 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 23.35 percent to total General Fund expenditures, while total fund balance represents 30.11 percent of that same amount. The fund balance of the County's General Fund increased by \$515 thousand during 2005. The key factors attributed to this increase were reduced spending and greater fiscal responsibility exhibited by the various General Fund departments.

The Motor Vehicle Gasoline Tax Fund balance at the end of 2005 is \$1,195 thousand, which decreased \$369 thousand during 2005. The decrease was due primarily to the County's share of numerous FEMA road slip repair projects associated with the severe flooding that occurred in 2004 and 2005.

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 Water Fund operations and Sewer 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 two internal service funds to account for the self-insurance programs. One Self-Insurance Fund accounts for the claims and liabilities relating to the County's self-insured hospitalization program. The other Self Insurance Fund accounts for the claims and liabilities relating to the County's retrospectively rated self-insured worker's compensation program.

As of December 31, 2005, net assets for the County's enterprise funds were \$28,463 thousand. Of that total, \$3,763 thousand represents unrestricted net assets that are available for spending for enterprise operations at the County's discretion.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

As of December 31, 2005, unrestricted net assets in the self-insurance programs were (\$2,324) thousand. This represents an increase in unrestricted net assets of \$2,791 from the prior year. The Self-Insurance Funds have posted operating deficits for several years. Program revenues (premiums) have been insufficient to cover rising claims activity in the County's self-insured hospitalization program. To attempt to offset the operating deficit, the County Commissioners implemented an employee-paid monthly premium cost, increased county-paid monthly premium costs, and made significant changes to the plan guidelines to help reduce claim costs.

Currently, these steps have been effective in reducing the existing deficit. In addition, the County has implemented a separate 15 year debt reduction plan approved by the Board of County Commissioners to eliminate this deficit. It is the County's intent to keep the above measures in place to further reduce and eventually eliminate the deficit.

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, changes from the original budget to the final budget have been minimal. Fluctuations in growth and diversity have typically not occurred in Jefferson 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, 2005, were \$131,181 thousand (net of accumulated depreciation). This includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure.

For governmental activities, significant capital asset additions during 2005 included the replacement of 2 bridges at a cost of \$947 thousand and 36.9 miles of road resurfacing at a cost of \$694 thousand.

For business-type activities, major capital asset additions during 2005 included the completion of various waterline extension projects, including the Toronto Waterline Connector, a multi million dollar project which allowed the County to purchase water from the City of Toronto.

Note 10 (Capital Assets) provides capital asset activity during 2005.

Long Term Debt - As of December 31, 2005, the County had total general obligation bonded debt outstanding principal of \$28,427,219. The majority of this debt (\$24,842,219) is expected to be repaid through governmental activities. The remaining portion (\$3,585,000) is expected to be repaid through a combination of business type activities and assessments. The County's long term general obligation bonded debt decreased by \$1,805,000 (5.97 percent) during 2005. Other outstanding long-term debt included O.W.D.A. loans of \$4,223,192, O.P.W.C. loans of \$706,816, OEPA loans of \$6,766,433, and notes payable of \$1,992,466.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited

Moody's Investors Services, Inc. has assigned an underlying rating of "Baa3" to the outstanding general obligation debt of the County. However, a Aaa credit rating was listed on the bonds since the County purchased insurance from the Ambac Assurance Corporation guaranteeing bond payments.

In addition to the bonded debt, the County's long-term obligations include compensated absences and workers compensation retrospective liability. Additional information on the County's long-term debt can be found in Note 17 of this report.

On September 1, 2005, revenue anticipation notes were issued in the amount of \$202,000. These notes were issued for a runway extension project at the County Airpark. On September 29, 2005, revenue anticipation notes were issued in the amount of \$1,500,000. These notes were issued for the design and construction of a new 911 building. On November 7, 2005, various purpose bond anticipation notes were issued in the amount of \$700,000. These notes were issued for sanitary sewer projects. On December 5, 2005, various purpose bond anticipation notes were issued in the amount of \$500,000. These notes were issued for various road projects. Note 18 provides information regarding bond anticipation notes.

Economic Factors

The unemployment rate for the County is currently 7.8 percent, which is a slight decrease from 8.7 percent a year ago. This rate exceeds the state's current rate of 6.1 percent and the current national rate of 5.1 percent. The increase demonstrates the impact from the national recession and the uncertainty surrounding the steel industry.

The County's \$1.130 billion tax base has declined 8.56 percent over the last five years. This decline is attributed to the State's reduction in assessed rates of public utility personal property taxes (deregulation). This decline would have been greater, however it has been offset somewhat by an increase in the County's real estate tax values. 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 general fund balance has managed to remain steady or increase slightly in recent years. This is attributed to conservative budgeting and spending by the County.

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 Patrick J. Marshall, Jefferson County Auditor, 301 Market Street, P.O. Box 159, Steubenville, Ohio 43952.

Jefferson County, Ohio
Statement of Net Assets
December 31, 2005

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$9,404,302	\$3,895,319	\$13,299,621	\$0
Cash and Cash Equivalents in Segregated Accounts	611,391	0	611,391	182,118
Accounts Receivable	1,748,618	872,798	2,621,416	22,772
Permissive Sales Taxes Receivable	1,400,337	35,884	1,436,221	0
Internal Balances	96,134	(96,134)	0	0
Accrued Interest Receivable	48,496	0	48,496	0
Intergovernmental Receivable	13,744,945	77,693	13,822,638	0
Cash and Cash Equivalents with Fiscal Agents	4,044,019	0	4,044,019	0
Investments with Fiscal Agents	1,111,361	18,748	1,130,109	966,862
Prepaid Items	317,392	16,428	333,820	400
Materials and Supplies Inventory	308,542	3,812	312,354	4,326
Property Taxes Receivable	11,395,718	0	11,395,718	0
Special Assessments Receivable	0	448,653	448,653	0
Deferred Charges	108,051	91,131	199,182	0
Non-Depreciable Capital Assets	5,059,137	2,019,431	7,078,568	0
Depreciable Capital Assets, Net	85,824,080	38,278,605	124,102,685	66,029
<i>Total Assets</i>	<u>135,222,523</u>	<u>45,662,368</u>	<u>180,884,891</u>	<u>1,242,507</u>
Liabilities				
Accounts Payable	770,074	375,456	1,145,530	1,945
Accrued Wages and Benefits	711,705	28,867	740,572	14,067
Contracts Payable	450,206	214,015	664,221	0
Matured Severance Payable	34,926	0	34,926	0
Intergovernmental Payable	2,067,652	156,409	2,224,061	0
Accrued Interest Payable	117,405	49,879	167,284	0
Deferred Revenue	9,943,766	0	9,943,766	0
Retainage Payable	0	80,380	80,380	0
Notes Payable	500,000	844,342	1,344,342	0
Claims Payable - Health Insurance	933,231	0	933,231	0
Long-Term Liabilities:				
Due Within One Year	2,780,812	980,161	3,760,973	0
Due In More Than One Year	30,960,861	14,470,212	45,431,073	0
<i>Total Liabilities</i>	<u>49,270,638</u>	<u>17,199,721</u>	<u>66,470,359</u>	<u>16,012</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	63,347,036	24,312,154	87,659,190	66,029
Restricted for:				
Debt Service	1,972,200	387,964	2,360,164	0
Capital Outlay	1,576,494	0	1,576,494	0
Endowments	880,141	0	880,141	0
Public Assistance	704,219	0	704,219	0
Motor Vehicle and Gasoline tax	3,270,837	0	3,270,837	0
Mental Health	4,140,973	0	4,140,973	0
Mental Retardation	4,646,619	0	4,646,619	0
Tuberculosis/Crippled Child Levy	2,171,493	0	2,171,493	0
Children Services	1,438,407	0	1,438,407	0
Other Purposes	5,329,731	0	5,329,731	0
Unrestricted (Deficit)	(3,526,265)	3,762,529	236,264	1,160,466
<i>Total Net Assets</i>	<u>\$85,951,885</u>	<u>\$28,462,647</u>	<u>\$114,414,532</u>	<u>\$1,226,495</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Activities
For the Year Ended December 31, 2005

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$5,174,809	\$3,061,257	\$126,189	\$720,690
Judicial	3,101,127	1,094,694	0	0
Public Safety	9,831,505	2,351,219	3,076,000	52,004
Public Works	10,367,211	435,870	6,665,016	0
Health	15,679,298	366,058	14,249,965	0
Human Services	18,193,754	910,528	15,794,076	0
Conservation and Recreation	165,819	0	0	0
Economic Development and Assistance	652,632	24,382	1,207,641	0
Intergovernmental	82,500	0	0	0
Interest and Fiscal Charges	1,726,050	0	0	0
<i>Total Governmental Activities</i>	<u>64,974,705</u>	<u>8,244,008</u>	<u>41,118,887</u>	<u>772,694</u>
Business Type Activities				
Sewer	1,390,462	988,706	0	361,913
Water	4,244,726	4,945,259	0	68,362
<i>Total Business Type Activities</i>	<u>5,635,188</u>	<u>5,933,965</u>	<u>0</u>	<u>430,275</u>
<i>Total Primary Government</i>	<u>\$70,609,893</u>	<u>\$14,177,973</u>	<u>\$41,118,887</u>	<u>\$1,202,969</u>
Component Unit:				
JeffCo. Workshop	<u>\$70,582</u>	<u>\$113,391</u>	<u>\$0</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for General Purposes

Property Taxes Levied for:

Mental Health

Mental Retardation and Developmental Disabilities

Jail Operating Levy

Emergency 911

Tuberculosis/Crippled Child Levy

Children Services

Senior Citizens Levy

Debt Service

Permissive Sales Taxes Levied for General Purposes

Permissive Sales Taxes Levied for:

Motor Vehicle Gas Tax

Permissive Sheriff

Debt Service

Sewer

Water

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets
Primary Government

Governmental Activities	Business Type Activities	Total	Component Unit
(\$1,266,673)	\$0	(\$1,266,673)	\$0
(2,006,433)	0	(2,006,433)	0
(4,352,282)	0	(4,352,282)	0
(3,266,325)	0	(3,266,325)	0
(1,063,275)	0	(1,063,275)	0
(1,489,150)	0	(1,489,150)	0
(165,819)	0	(165,819)	0
579,391	0	579,391	0
(82,500)	0	(82,500)	0
(1,726,050)	0	(1,726,050)	0
(14,839,116)	0	(14,839,116)	0
0	(39,843)	(39,843)	0
0	768,895	768,895	0
0	729,052	729,052	0
(14,839,116)	729,052	(14,110,064)	0
0	0	0	42,809
1,867,766	0	1,867,766	0
325,000	0	325,000	0
2,591,296	0	2,591,296	0
1,132,081	0	1,132,081	0
1,259,365	0	1,259,365	0
1,052	0	1,052	0
789,038	0	789,038	0
1,243,042	0	1,243,042	0
1,112,208	0	1,112,208	0
4,287,327	0	4,287,327	0
2,575,836	0	2,575,836	0
1,244,595	0	1,244,595	0
1,107,087	0	1,107,087	0
0	59,308	59,308	0
0	177,924	177,924	0
2,604,999	0	2,604,999	0
539,569	7,814	547,383	31,720
1,100,238	61,380	1,161,618	31,624
23,780,499	306,426	24,086,925	63,344
8,941,383	1,035,478	9,976,861	106,153
77,010,502	27,427,169	104,437,671	1,120,342
\$85,951,885	\$28,462,647	\$114,414,532	\$1,226,495

Jefferson County, Ohio
Balance Sheet
Governmental Funds
December 31, 2005

	General	Public Assistance	Motor Vehicle Gasoline Tax	Mental Health	Mental Retardation Developmental Disabilities
Assets					
Equity in Pooled Cash and Cash Equivalents	\$165,851	\$266,872	\$570,607	\$29,289	\$944,780
Cash and Cash Equivalents in Segregated Accounts	112,500	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	47,750
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	558,597	0	0	0	0
Investments with Fiscal Agents	0	0	0	0	0
Investments with Fiscal Agents	43,744	0	99,987	0	0
Materials and Supplies Inventory	50,230	21,151	169,663	464	12,169
Receivables:					
Property Taxes	2,103,016	0	0	354,119	2,978,191
Permissive Sales Taxes	658,390	0	382,935	0	0
Accounts	322,176	804,817	118,311	5,867	0
Intergovernmental	1,434,599	1,616,364	2,377,225	2,719,945	2,413,430
Interfund	1,169,515	84,452	167,829	1,455,548	1,800,000
Accrued Interest	48,496	0	0	0	0
Prepaid Items	201,959	16,358	19,679	4,274	22,030
<i>Total Assets</i>	<u>\$6,869,073</u>	<u>\$2,810,014</u>	<u>\$3,906,236</u>	<u>\$4,569,506</u>	<u>\$8,218,350</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$113,669	\$24,443	\$173,259	\$57,796	\$34,117
Accrued Wages and Benefits	121,891	132,135	70,735	10,592	169,059
Contracts Payable	0	0	51,791	0	0
Matured Severance Payable	31,415	3,511	0	0	0
Interfund Payable	196,247	210,394	91,651	10,063	229,470
Intergovernmental Payable	80,571	1,318,316	29,421	5,992	100,079
Deferred Revenue	3,383,235	1,048,073	1,792,577	2,893,092	5,051,908
Accrued Interest Payable	0	0	1,621	0	0
Notes Payable	0	0	500,000	0	0
<i>Total Liabilities</i>	<u>3,927,028</u>	<u>2,736,872</u>	<u>2,711,055</u>	<u>2,977,535</u>	<u>5,584,633</u>
Fund Balances (Deficit)					
Reserved for Encumbrances	57,713	0	111,533	0	0
Reserved for Endowments	0	0	0	0	0
Reserved for Claimants	558,597	0	0	0	0
Unreserved:					
Designated for Equipment	43,744	0	0	0	0
Undesignated, Reported in:					
General Fund	2,281,991	0	0	0	0
Special Revenue Funds	0	73,142	1,083,648	1,591,971	2,633,717
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>2,942,045</u>	<u>73,142</u>	<u>1,195,181</u>	<u>1,591,971</u>	<u>2,633,717</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,869,073</u>	<u>\$2,810,014</u>	<u>\$3,906,236</u>	<u>\$4,569,506</u>	<u>\$8,218,350</u>

See accompanying notes to the basic financial statements

<u>Jail Operating Levy</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$37,098	\$6,831,208	\$8,845,705
0	498,891	611,391
0	0	47,750
0	0	558,597
0	880,141	880,141
0	87,489	231,220
1,311	53,554	308,542
1,298,974	4,661,418	11,395,718
0	359,012	1,400,337
0	10,335	1,261,506
637,723	2,545,659	13,744,945
0	2,975,858	7,653,202
0	0	48,496
145	52,947	317,392
<u>\$1,975,251</u>	<u>\$18,956,512</u>	<u>\$47,304,942</u>
\$122,284	\$244,506	\$770,074
69,578	137,715	711,705
0	398,415	450,206
0	0	34,926
2,840,590	974,472	4,552,887
52,000	70,547	1,656,926
1,609,016	6,744,092	22,521,993
0	0	1,621
0	0	500,000
<u>4,693,468</u>	<u>8,569,747</u>	<u>31,200,338</u>
0	3,937	173,183
0	880,141	880,141
0	0	558,597
0	0	43,744
0	0	2,281,991
(2,718,217)	5,904,619	8,568,880
0	2,021,574	2,021,574
0	1,576,494	1,576,494
<u>(2,718,217)</u>	<u>10,386,765</u>	<u>16,104,604</u>
<u>\$1,975,251</u>	<u>\$18,956,512</u>	<u>\$47,304,942</u>

Jefferson County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2005

Total Governmental Fund Balances

<i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	16,104,604
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds	90,883,217
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Taxes	1,460,949
Intergovernmental	10,660,975
Fines and Forfeitures	440,487
Interest	15,816
Total	12,578,227
Internal service funds are used by management to charge the costs of health insurance and workers' compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets	(2,324,469)
Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds.	108,051
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	24,842,219
Bond Premium	127,128
Capital Appreciation Bond Accretion	1,620,910
Compensated Absences	2,165,566
Accrued Interest Payable	115,784
Long-Term Notes Payable	1,992,466
OPWC Loans Payable	48,770
State Infrastructure Bank Loans Payable	160,033
SBC Loan	157,846
SBC Account Payable	50,489
ODOT Contract Payable	15,790
Capital Leases	100,744
Total	(31,397,745)
Net Assets of Governmental Activities	\$85,951,885

See accompanying notes to the basic financial statements

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Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2005

	General	Public Assistance	Motor Vehicle Gasoline Tax	Mental Health	Mental Retardation Developmental Disabilities
Revenues					
Property Taxes	\$1,890,430	\$0	\$0	\$331,125	\$2,634,174
Permissive Sales Taxes	4,287,327	0	2,575,836	0	0
Charges for Services	2,287,058	758,464	158,899	0	231,826
Licenses and Permits	4,796	0	0	0	0
Fines and Forfeitures	336,725	0	43,460	0	0
Intergovernmental	2,823,635	11,305,536	5,618,989	6,794,255	6,470,985
Interest	428,121	0	4,393	0	0
Rent	0	0	0	65,571	0
Other	210,119	660,213	11,290	15,789	70,780
<i>Total Revenues</i>	<u>12,268,211</u>	<u>12,724,213</u>	<u>8,412,867</u>	<u>7,206,740</u>	<u>9,407,765</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	4,707,491	0	0	0	0
Judicial	3,177,177	0	0	0	0
Public Safety	279,516	0	0	0	0
Public Works	0	0	8,324,956	0	0
Health	232,733	0	0	6,906,881	8,680,217
Human Services	983,190	12,684,674	0	0	0
Economic Development and Assistance	0	0	0	0	0
Other	250,398	0	0	0	0
Capital Outlay	58,150	0	0	0	0
Intergovernmental	82,500	0	0	0	0
Debt Service:					
Principal Retirement	1,151	35,000	0	0	0
Interest and Fiscal Charges	19	0	4,400	0	0
<i>Total Expenditures</i>	<u>9,772,325</u>	<u>12,719,674</u>	<u>8,329,356</u>	<u>6,906,881</u>	<u>8,680,217</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,495,886</u>	<u>4,539</u>	<u>83,511</u>	<u>299,859</u>	<u>727,548</u>
Other Financing Sources (Uses):					
Transfers In	0	0	0	0	0
Revenue Anticipation Notes Issued	0	0	0	0	0
Inception of Capital Lease	0	100,000	0	0	0
Transfers Out	(1,981,236)	0	(452,195)	0	(200,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,981,236)</u>	<u>100,000</u>	<u>(452,195)</u>	<u>0</u>	<u>(200,000)</u>
<i>Net Change in Fund Balances</i>	514,650	104,539	(368,684)	299,859	527,548
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,427,395</u>	<u>(31,397)</u>	<u>1,563,865</u>	<u>1,292,112</u>	<u>2,106,169</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,942,045</u>	<u>\$73,142</u>	<u>\$1,195,181</u>	<u>\$1,591,971</u>	<u>\$2,633,717</u>

See accompanying notes to the basic financial statements

Jail Operating Levy	Other Governmental Funds	Total Governmental Funds
\$1,150,458	\$4,326,553	\$10,332,740
0	2,351,682	9,214,845
1,421,851	1,893,921	6,752,019
0	361,270	366,066
0	321,555	701,740
635,620	8,595,604	42,244,624
0	36,715	469,229
0	373,046	438,617
0	132,047	1,100,238
<u>3,207,929</u>	<u>18,392,393</u>	<u>71,620,118</u>
0	1,611,896	6,319,387
0	179,487	3,356,664
4,267,403	5,715,447	10,262,366
0	1,107,226	9,432,182
0	317,984	16,137,815
0	5,256,203	18,924,067
0	1,032,238	1,032,238
0	0	250,398
0	1,572,149	1,630,299
0	0	82,500
0	2,040,052	2,076,203
0	1,383,223	1,387,642
<u>4,267,403</u>	<u>20,215,905</u>	<u>70,891,761</u>
<u>(1,059,474)</u>	<u>(1,823,512)</u>	<u>728,357</u>
848,408	2,132,065	2,980,473
0	1,702,000	1,702,000
0	41,282	141,282
0	(347,042)	(2,980,473)
<u>848,408</u>	<u>3,528,305</u>	<u>1,843,282</u>
(211,066)	1,704,793	2,571,639
<u>(2,507,151)</u>	<u>8,681,972</u>	<u>13,532,965</u>
<u>(\$2,718,217)</u>	<u>\$10,386,765</u>	<u>\$16,104,604</u>

Jefferson County, Ohio
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities**
For the Year Ended December 31, 2005

Net Change in Fund Balances - Governmental Funds		\$2,571,639
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period		
Capital Asset Additions	5,233,680	
Current Year Depreciation	<u>(3,929,352)</u>	
Total		1,304,328
Capital assets removed from the capital asset account on the statement of net assets results in a loss on disposal of capital assets on the statement of activities.		
		(53,634)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund		
Taxes	(11,892)	
Intergovernmental	2,251,956	
Interest	7,219	
Fines and Forfeitures	(12,704)	
Charges for Services	<u>(1,730)</u>	
Total		2,232,849
Issuance costs are reported as an expenditure when paid in governmental funds, but are allocated as an expense over the life of the outstanding debt on the statement of activities.		
		(3,726)
Bond premiums are reported as other financing sources in governmental funds, but are allocated as a reduction of an expense over the life of the outstanding debt on the statement of activities.		
		4,384
Inception of Capital Leases are reported as other financing sources in governmental funds, but the inception increases long-term liabilities on the statement of net assets.		
		(141,282)
Revenue Anticipation Notes Issued are reported as other financing sources in the governmental funds, but the issuance increases long term liabilities on the statement of net assets.		
		(1,702,000)
Repayments of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities		
General Obligation Bonds	1,715,000	
Long-Term Notes Payable	218,129	
OPWC Loans Payable	6,502	
State Infrastructure Bank Loans Payable	49,012	
SBC Loan Payable	50,348	
SBC Account Payable	16,830	
ODOT Contract Payable	31,576	
Tax Refund	22,035	
Capital Leases	<u>87,560</u>	
Total		2,196,992
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities, and the accretion of interest of capital appreciation bonds is reported in the statement of activities:		
Accrued Interest	11,034	
Accretion of Interest	<u>(350,100)</u>	
Total		(339,066)
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds		
		79,755
Internal service funds used by management to charge the costs of health insurance and workers' compensation to individual funds is not reported in the statement of activities. Governmental fund expenditures and the related internal service funds' revenues are eliminated. The net expenses of the internal service funds are allocated among governmental activities		
		<u>2,791,144</u>
Change in Net Assets of Governmental Activities		<u>\$8,941,383</u>

See accompanying notes to the basic financial statements

Jefferson 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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final Budget</u>		
<u>Revenues:</u>				
Property Taxes	\$1,431,049	\$1,878,689	\$1,878,689	\$0
Permissive Sales Taxes	4,372,807	4,372,807	4,372,807	0
Charges for Services	2,250,429	2,288,183	2,288,183	0
Licenses and Permits	4,796	4,796	4,796	0
Fines and Forfeitures	199,505	339,806	339,806	0
Intergovernmental	2,913,598	2,864,540	2,864,540	0
Interest	407,972	407,972	407,972	0
Other	175,489	85,118	85,118	0
Total Revenues	11,755,645	12,241,911	12,241,911	0
<u>Expenditures:</u>				
Current:				
General Government -				
Legislative and Executive	4,864,010	4,707,187	4,707,091	96
Judicial	3,517,865	3,380,640	3,380,640	0
Public Safety	418,274	169,559	169,559	0
Health	234,200	235,144	235,144	0
Human Services	996,061	999,041	998,291	750
Other	231,194	248,818	248,818	0
Intergovernmental	82,500	82,500	82,500	0
Total Expenditures	10,344,104	9,822,889	9,822,043	846
Excess of Revenues Over Expenditures	1,411,541	2,419,022	2,419,868	846
<u>Other Financing Use:</u>				
Transfers Out	(1,981,236)	(1,981,236)	(1,981,236)	0
Total Other Financing Use	(1,981,236)	(1,981,236)	(1,981,236)	0
Net Change in Fund Balance	(569,695)	437,786	438,632	846
Fund Balance at Beginning of Year	1,133,023	1,133,023	1,133,023	0
Prior Year Encumbrances Appropriated	16,864	16,864	16,864	0
Fund Balance at End of Year	\$580,192	\$1,587,673	\$1,588,519	\$846

See accompanying notes to the basic financial statements

Jefferson 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, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges and Services	\$0	\$758,464	\$758,464	\$0
Intergovernmental	13,450,733	9,257,887	10,242,596	984,709
Other	829,568	660,838	660,838	0
Total Revenues	<u>14,280,301</u>	<u>10,677,189</u>	<u>11,661,898</u>	<u>984,709</u>
<u>Expenditures:</u>				
Current:				
Human Services	14,280,221	11,268,916	12,253,625	(984,709)
Net Change in Fund Balance	80	(591,727)	(591,727)	0
Fund Balance at Beginning of Year	<u>858,599</u>	<u>858,599</u>	<u>858,599</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$858,679</u></u>	<u><u>\$266,872</u></u>	<u><u>\$266,872</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Jefferson 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, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<u>Revenues:</u>				
Permissive Sales Taxes	\$2,458,682	\$2,623,562	\$2,623,562	\$0
Charges for Services	0	158,899	158,899	0
Fines and Forfeitures	48,907	43,460	43,460	0
Intergovernmental	4,432,854	4,264,339	5,527,426	1,263,087
Interest	4,393	4,393	4,393	0
Other	616,024	11,290	11,290	0
Total Revenues	7,560,860	7,105,943	8,369,030	1,263,087
<u>Expenditures:</u>				
Current:				
Public Works	6,893,754	7,047,447	8,286,544	(1,239,097)
Debt Service:				
Principal Retirement	250,000	250,000	250,000	0
Interest and Fiscal Charges	3,542	3,625	3,625	0
Total Debt Service	253,542	253,625	253,625	0
Total Expenditures	7,147,296	7,301,072	8,540,169	(1,239,097)
Excess of Revenues Over (Under) Expenditures	413,564	(195,129)	(171,139)	23,990
<u>Other Financing Sources (Uses):</u>				
Bond Anticipation Notes Issued	0	500,000	500,000	0
Transfers Out	(452,195)	(452,195)	(452,195)	0
Total Other Financing Sources (Uses)	(452,195)	47,805	47,805	0
Net Change in Fund Balance	(38,631)	(147,324)	(123,334)	23,990
Fund Balance at Beginning of Year	305,769	305,769	305,769	0
Prior Year Encumbrances Appropriated	254,773	254,773	254,773	0
Fund Balance at End of Year	\$521,911	\$413,218	\$437,208	\$23,990

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Health Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<u>Revenues:</u>				
Property Taxes	\$465,000	\$330,216	\$330,216	\$0
Intergovernmental	6,423,565	6,886,125	6,886,125	0
Rent	65,551	65,571	65,571	0
Other	8,800	15,789	15,789	0
Total Revenues	<u>6,962,916</u>	<u>7,297,701</u>	<u>7,297,701</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Health	<u>6,962,916</u>	<u>7,147,018</u>	<u>7,147,018</u>	<u>0</u>
Net Change in Fund Balance	0	150,683	150,683	0
Fund Balance at Beginning of Year	<u>1,322,030</u>	<u>1,322,030</u>	<u>1,322,030</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,322,030</u></u>	<u><u>\$1,472,713</u></u>	<u><u>\$1,472,713</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation and Developmental Disabilities Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$2,541,020	\$2,622,683	\$2,622,683	\$0
Charges for Services	222,000	231,826	231,826	0
Intergovernmental	6,014,907	6,470,439	6,691,775	221,336
Other	446,986	505,115	505,115	0
Total Revenues	<u>9,224,913</u>	<u>9,830,063</u>	<u>10,051,399</u>	<u>221,336</u>
<u>Expenditures:</u>				
Current:				
Health	8,884,283	8,438,284	8,659,631	(221,347)
Excess of Revenues Over Expenditures	340,630	1,391,779	1,391,768	(11)
<u>Other Financing Use:</u>				
Transfers Out	(50,000)	(200,000)	(200,000)	0
Net Change in Fund Balance	290,630	1,191,779	1,191,768	(11)
Fund Balance at Beginning of Year	<u>1,469,917</u>	<u>1,469,917</u>	<u>1,469,917</u>	<u>0</u>
Fund Balance at End of Year	<u>\$1,760,547</u>	<u>\$2,661,696</u>	<u>\$2,661,685</u>	<u>(\$11)</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Jail Operating Levy Fund
For the Year Ended December 31, 2005

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
<u>Revenues:</u>				
Property Taxes	\$1,157,118	\$1,145,328	\$1,145,328	\$0
Charges for Services	1,734,263	1,445,654	1,445,654	0
Intergovernmental	577,374	638,095	638,095	0
Total Revenues	<u>3,468,755</u>	<u>3,229,077</u>	<u>3,229,077</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Public Safety	4,428,359	4,325,310	4,325,310	0
Excess of Revenues Under Expenditures	(959,604)	(1,096,233)	(1,096,233)	0
<u>Other Financing Source:</u>				
Transfers In	862,295	848,408	848,408	0
Net Change in Fund Balance	(97,309)	(247,825)	(247,825)	0
Fund Balance (Deficit) at Beginning of Year	<u>(2,500,001)</u>	<u>(2,500,001)</u>	<u>(2,500,001)</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$2,597,310)</u>	<u>(\$2,747,826)</u>	<u>(\$2,747,826)</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2005

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service
	Sewer	Water	Total	Funds
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$492,898	\$3,402,421	\$3,895,319	\$0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	3,996,269
Investments with Fiscal Agents	4,687	14,061	18,748	0
Materials and Supplies Inventory	985	2,827	3,812	0
Receivables:				
Permissive Sales Taxes	8,971	26,913	35,884	0
Accounts	148,988	723,810	872,798	487,112
Intergovernmental	77,693	0	77,693	0
Interfund	0	0	0	6,076,806
Prepaid Items	0	16,428	16,428	0
<i>Total Current Assets</i>	<u>734,222</u>	<u>4,186,460</u>	<u>4,920,682</u>	<u>10,560,187</u>
Noncurrent Assets:				
Restricted Assets:				
Special Assessments Receivable	448,653	0	448,653	0
Deferred Charges	45,213	45,918	91,131	0
Non Depreciable Capital Assets	1,350,996	668,435	2,019,431	0
Depreciable Capital Assets, Net	14,012,953	24,265,652	38,278,605	0
<i>Total Noncurrent Assets</i>	<u>15,857,815</u>	<u>24,980,005</u>	<u>40,837,820</u>	<u>0</u>
<i>Total Assets</i>	<u>16,592,037</u>	<u>29,166,465</u>	<u>45,758,502</u>	<u>10,560,187</u>
Liabilities				
Current Liabilities:				
Accounts Payable	0	375,456	375,456	0
Accrued Wages and Benefits Payable	4,915	23,952	28,867	0
Contracts Payable	0	214,015	214,015	0
Compensated Absences Payable	1,936	2,065	4,001	0
Interfund Payable	5,694	90,440	96,134	9,080,987
Intergovernmental Payable	24,144	132,265	156,409	410,726
Retainage Payable	0	80,380	80,380	0
Claims Payable - Health Benefits	0	0	0	933,231
Claims Payable - Workers' Compensation	0	0	0	291,675
Accrued Interest Payable	14,346	35,533	49,879	0
Notes Payable	739,869	104,473	844,342	0
Current Portion of General Obligation Bonds Payable	35,000	55,000	90,000	0
Current Portion of OPWC Loans Payable	0	69,379	69,379	0
Current Portion of OWDA Loans Payable	323,737	203,652	527,389	0
Current Portion of Ohio EPA Loan Payable	0	289,392	289,392	0
<i>Total Current Liabilities</i>	<u>1,149,641</u>	<u>1,676,002</u>	<u>2,825,643</u>	<u>10,716,619</u>
Long-Term Liabilities (Net of Current Portion):				
Compensated Absences Payable	31,473	46,691	78,164	0
Claims Payable - Workers Compensation	0	0	0	2,168,037
General Obligation Bonds Payable	1,805,689	1,824,848	3,630,537	0
OPWC Loans Payable	0	588,667	588,667	0
OWDA Loans Payable	1,561,987	2,133,816	3,695,803	0
Ohio EPA Loan Payable	0	6,477,041	6,477,041	0
<i>Total Long-Term Liabilities</i>	<u>3,399,149</u>	<u>11,071,063</u>	<u>14,470,212</u>	<u>2,168,037</u>
<i>Total Liabilities</i>	<u>4,548,790</u>	<u>12,747,065</u>	<u>17,295,855</u>	<u>12,884,656</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	11,003,569	13,308,585	24,312,154	0
Restricted for:				
Debt Service	387,964	0	387,964	0
Unrestricted (Deficit)	651,714	3,110,815	3,762,529	(2,324,469)
<i>Total Net Assets (Deficit)</i>	<u>\$12,043,247</u>	<u>\$16,419,400</u>	<u>\$28,462,647</u>	<u>(\$2,324,469)</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2005

	<u>Business Type Activities - Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Operating Revenues				
Charges for Services	\$988,706	\$4,945,259	\$5,933,965	\$0
Charges for Services - Health	0	0	0	7,523,990
Charges for Services - Workers' Compensation	0	0	0	1,171,089
Other	0	48,801	48,801	0
<i>Total Operating Revenues</i>	<u>988,706</u>	<u>4,994,060</u>	<u>5,982,766</u>	<u>8,695,079</u>
Operating Expenses				
Personal Services	216,490	982,067	1,198,557	0
Contractual Services	304,218	1,075,188	1,379,406	0
Contractual Services - Health	0	0	0	1,284,889
Contractual Services - Workers Compensation	0	0	0	302,870
Materials and Supplies	19,645	809,669	829,314	0
Claims - Health Benefits	0	0	0	3,980,299
Claims - Workers Compensation	0	0	0	410,070
Depreciation	624,308	938,796	1,563,104	0
<i>Total Operating Expenses</i>	<u>1,164,661</u>	<u>3,805,720</u>	<u>4,970,381</u>	<u>5,978,128</u>
<i>Operating Income (Loss)</i>	<u>(175,955)</u>	<u>1,188,340</u>	<u>1,012,385</u>	<u>2,716,951</u>
Non-Operating Revenues (Expenses)				
Permissive Sales Taxes	59,308	177,924	237,232	0
Interest	0	7,814	7,814	63,121
Interest and Fiscal Charges	(225,801)	(438,344)	(664,145)	0
Other Non-Operating Revenues	0	12,579	12,579	11,072
Other Non-Operating Expenses	0	(662)	(662)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(166,493)</u>	<u>(240,689)</u>	<u>(407,182)</u>	<u>74,193</u>
<i>Income (Loss) Before Contributions</i>	<u>(342,448)</u>	<u>947,651</u>	<u>605,203</u>	<u>2,791,144</u>
Capital Contributions	77,693	68,362	146,055	0
Special Assessments	284,220	0	284,220	0
<i>Change in Net Assets</i>	<u>19,465</u>	<u>1,016,013</u>	<u>1,035,478</u>	<u>2,791,144</u>
<i>Net Assets (Deficit) Beginning of Year</i>	<u>12,023,782</u>	<u>15,403,387</u>	<u>27,427,169</u>	<u>(5,115,613)</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$12,043,247</u>	<u>\$16,419,400</u>	<u>\$28,462,647</u>	<u>(\$2,324,469)</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2005

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Sewer	Water	Total	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,008,265	\$4,962,374	\$5,970,639	\$0
Cash Received from Customers - Health Benefits	0	0	0	7,523,990
Cash Received from Customers - Workers' Compensation	0	0	0	1,171,089
Cash Payments for Employee Services and Benefits	(225,908)	(912,407)	(1,138,315)	0
Cash Payments for Goods and Services	(369,295)	(1,389,839)	(1,759,134)	(1,525,360)
Cash Payments for Claims - Health Benefits	0	0	0	(6,288,880)
Cash Payments for Claims - Workers' Compensation	0	0	0	(348,995)
Other Operating Revenues	0	48,801	48,801	2,085,545
Other Non-Operating Expenses	0	(662)	(662)	0
Other Non-Operating Revenues	0	12,579	12,579	11,072
<i>Net Cash Provided by Operating Activities</i>	<u>413,062</u>	<u>2,720,846</u>	<u>3,133,908</u>	<u>2,628,461</u>
Cash Flows from Noncapital Financing Activities				
Interfund Loan	0	0	0	(1,393,186)
Permissive Sales Taxes	60,363	181,091	241,454	0
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>	<u>60,363</u>	<u>181,091</u>	<u>241,454</u>	<u>(1,393,186)</u>
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(125,877)	(6,982,356)	(7,108,233)	0
Bond Anticipation Notes Issued	700,000	0	700,000	0
Ohio EPA Loan Issued	0	6,801,673	6,801,673	0
Tap-In Fees	0	68,362	68,362	0
Special Assessments	123,630	0	123,630	0
Capital Grants	0	36,354	36,354	0
Principal Paid on Debt	(1,305,664)	(1,277,678)	(2,583,342)	0
Interest and Fiscal Charges Paid on Debt	(223,985)	(426,583)	(650,568)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(831,896)</u>	<u>(1,780,228)</u>	<u>(2,612,124)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest	0	0	0	63,121
Purchase of Investments	0	(11,030)	(11,030)	0
Sale of Investments	0	350,855	350,855	0
<i>Net Cash Provided by Investing Activities</i>	<u>0</u>	<u>339,825</u>	<u>339,825</u>	<u>63,121</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	(358,471)	1,461,534	1,103,063	1,298,396
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>851,369</u>	<u>1,940,887</u>	<u>2,792,256</u>	<u>2,697,873</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$492,898</u>	<u>\$3,402,421</u>	<u>\$3,895,319</u>	<u>\$3,996,269</u>

(Continued)

Jefferson County, Ohio
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2005

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Sewer	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	(\$175,955)	\$1,188,340	\$1,012,385	\$2,716,951
Adjustments:				
Depreciation	624,308	938,796	1,563,104	0
Non-Operating Revenues	0	12,579	12,579	11,072
Non-Operating Expenses	0	(662)	(662)	0
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	19,559	17,115	36,674	(66,355)
(Increase) Decrease in Materials and Supplies Inventory	(985)	8,754	7,769	0
Decrease in Prepaid Items	0	928	928	0
Increase (Decrease) in Accounts Payable	(15,813)	359,864	344,051	0
Increase (Decrease) in Accrued Wages and Benefits Payable	(1,273)	2,720	1,447	0
Increase (Decrease) in Compensated Absences Payable	(833)	9,459	8,626	0
Decrease in Matured Severance Payable	(4,641)	0	(4,641)	0
Increase (Decrease) in Contracts Payable	(37,411)	98,555	61,144	0
Increase (Decrease) in Interfund Payable	(2,066)	64,768	62,702	0
Decrease in Claims Payable - Health Benefits	0	0	0	(156,681)
Increase in Claims Payable - Workers' Compensation	0	0	0	61,075
Increase in Intergovernmental Payable	8,172	19,630	27,802	62,399
<i>Net Cash Provided by Operating Activities</i>	<u>\$413,062</u>	<u>\$2,720,846</u>	<u>\$3,133,908</u>	<u>\$2,628,461</u>

Noncash Activities:

There was a \$77,693 receivable for a capital grant recorded in the sewer fund at December 31, 2005.
During 2005, the County placed \$2,719,694 of construction in progress in service in the water fund.
During 2005, the County assessed \$160,590 of additional special assessments that were not fully paid.

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2005

Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,699,847
Receivables:	
Property Taxes	42,310,195
Accounts	1,062,979
Special Assessments	416,987
Intergovernmental	<u>4,871,715</u>
<i>Total Assets</i>	<u><u>\$51,361,723</u></u>
Liabilities	
Intergovernmental Payable	\$48,219,682
Undistributed Monies	<u>3,142,041</u>
<i>Total Liabilities</i>	<u><u>\$51,361,723</u></u>

See accompanying notes to the basic financial statements

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Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

Jefferson County, Ohio (The County), was created July 29, 1797. The County is comprised of fourteen townships and nineteen municipalities. The County is governed by a board of three commissioners elected by the voters. Other elected officials that manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Sheriff, two Common Pleas Court Judges, a Probate and Juvenile Court Judge and three County Court Judges.

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 the chief administrator 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 Jefferson County, this includes the Board of Mental Retardation and Developmental Disabilities, the Department of Job and Family Services, the Prevention and Recovery Board, the Veteran's Service Commission, the Regional Airport Authority, the Jefferson County Water and Sewer Districts, 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 organization'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 otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt or the levying of taxes or organizations whose exclusion would cause the report to be incomplete.

The component unit column in the combined financial statements identifies the financial data of the County's component unit, JeffCo Workshop. It is discretely reported in a separate column to emphasize that it is legally separate from the County.

JeffCo. Workshop (JeffCo) is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The workshop, under a contractual agreement with the Jefferson County Board of Mental Retardation and Developmental Disabilities (MR/DD) provides sheltered employment for mentally retarded or handicapped adults in Jefferson County. The Jefferson County Board of MR/DD provides the workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering 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 JeffCo and JeffCo's sole purpose of providing assistance to the retarded and handicapped adults of Jefferson County, it was determined that to exclude the workshop from the County's report would make the report incomplete. JeffCo Workshop operates on a fiscal year ending December 31. The operating statement of JeffCo Workshop is presented at the object level. JeffCo is required only to report operating information at the program level; however, since it operates under a single program, object level information is presented to provide more comprehensive financial information. Separately issued financial statements can be obtained from JeffCo Workshop, Steubenville, Ohio.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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.

Jefferson County Agricultural Society
Jefferson County Educational Service Center
Jefferson County Community Action Council
Jefferson County Historical Society
Jefferson County Law Library Association
Jefferson County Joint Vocational School District
Jefferson County Taxpayers Association
Jefferson County Land Office
Public Library of Steubenville and Jefferson County
Prime Time Office on Aging
Jefferson County Community Improvement Corporation
Progress Alliance

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 districts and agencies is presented as agency funds within the County's financial statements:

Jefferson 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.

Jefferson County General Health District is governed by the Board of Health which oversees the operation of the health district and is elected by a regional advisory council comprised of township trustees and mayors of participating municipalities. The Board adopts its own budget, which is approved by the County Budget Commission as a ministerial function, hires and fires its own staff, and operates autonomously from the County. Funding is based on a rate per taxable valuation, along with state and federal grants applied for by the District.

Local Emergency Planning Commission (LEPC) is statutorily created as a separate and distinct political subdivision of the State. Its members are appointed by the Emergency Response Commission. The Commission adopts its own budget, authorizes expenditures, hires and fires staff, and operates autonomously from the County. The activity of the LEPC is reported to the Emergency Response Commission.

The following operation has been identified as a joint venture of Jefferson County.

Jefferson County Regional Planning Commission

The County participates in the Jefferson County Regional Planning Commission which is a statutorily created political subdivision of the State. The commission is jointly governed among Jefferson County and municipalities and townships within the County. Each member's control over the operation of the commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environment, social, economic and governmental functions and services of the County as well as applies for certain grants on behalf of the member governments. The continued existence of the Commission is dependent upon the County's continued participation; however, the County does not have an equity interest in the Commission. Since Jefferson County serves as the fiscal agent for the Board, the financial activity of the District is presented as an agency fund. Additional information on the joint venture is presented in Note 20.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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

Jefferson County Cluster
East Ohio Correctional Facility
Brooke, Hancock, Jefferson Metropolitan Planning Commission (BHJ)
Southeast Ohio Juvenile Rehabilitation District (SOJRD)
Area Office on Aging
Ohio Mid-Eastern Governments Association (OMEGA)
Jefferson-Belmont Joint Solid Waste Authority
Jefferson County Family and Children First Council
Belmont, Carroll, Harrison, and Jefferson Counties Council of Government

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

Jefferson Metropolitan Housing Authority
Jefferson Community College

The County is associated with the following organizations which are public entity pools. Additional information concerning these pools is presented in Note 23.

County Risk Sharing Authority (CORSA)
Ohio Mid-Eastern Regional Educational Service Agency Self Insurance Plan (OME-RESA)

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 provided they do not conflict with or contradict GASB pronouncements, and has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989, to its business-type activities and enterprise funds. 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 activity of the internal service fund is 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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.

B. Fund Accounting

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

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

General Fund 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.

Public Assistance Fund The public assistance fund accounts 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 certain public social services.

Motor Vehicle and Gasoline Tax (MVGT) Fund To account for revenue derived from motor vehicle licenses, gasoline taxes, grants, permissive sales taxes, and interest. Expenditures in this fund are restricted by State law to County road and bridge repair/improvements programs.

Mental Health Fund To account for Federal and State grants and a county-wide property tax levy that are expended primarily to pay the cost of contracts with local mental health agencies that provide services to the public.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Mental Retardation and Developmental Disabilities (MRDD) Fund To account for the operation of a school and the costs of administering a sheltered workshop for the mentally retarded and developmentally disabled residents of the County. Revenue sources are Federal and State grant monies and a county-wide property tax levy.

Jail Operating Levy Fund To account for a county-wide property tax levy used for the administration and operation of the county justice facility.

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 following is a description of the County's enterprise funds:

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

Water Fund To account for water services provided to County individual 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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 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.

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. Governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds also use the 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 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 sixty days of year-end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On 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 tax (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. Using this criteria, the County has elected to not record child support arrearages within the special revenue and agency fund types. This amount, while potentially significant, is not considered measurable, and because collection is often significantly in arrears, the County is unable to determine a reasonable value.

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 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.

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.

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. These appropriations were made before the end of the prior year and before the actual year end fund balances were known. This resulted in differences being reported for beginning of year fund balances for the original and final budgeted amounts. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2005 upon which the final appropriations were passed.

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. During 2005 the County did not budget the Voting Machines Capital Projects Fund.

F. Cash, Cash Equivalents, and Investments

Cash balances of the County's funds, except cash held by a trustee or fiscal agent or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2005, investments were limited to United States Treasury Notes, money market mutual funds, mutual funds and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2005 amounted to \$428,121 which includes \$233,032 assigned from other funds.

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 are reported as investments. The County reports the change in fair value of investments. The calculation of realized gains/losses is independent of the calculation of the change in the fair value of investments. The realized gains/losses of the current period include unrealized amounts from prior periods.

The Permissive Sheriff and Jail Operating Levy Special Revenue Funds and the Self Insurance - Health Internal Service Fund made disbursements in excess of their equity interest in the cash management pool. The amounts of these excesses are reported as an interfund payable to the general, mental health and mental retardation developmental disabilities major funds, other non major governmental funds and the Self Insurance – Workers’ Compensation Internal Service Fund.

G. Restricted Assets

Special assessments receivable have been presented as restricted assets as their use is limited by the authorizing legislation. Restricted assets have also been reported for investments held by a fiscal agent that are held in trust for the benefit of the County Children’s Home and for unclaimed monies.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, 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.

J. 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 the enterprise funds are reported both in the business type activities column of the government-wide statement of net assets and in the funds.

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 current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index 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 ten 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

utilized by the enterprise funds are also capitalized. All infrastructure of the County has been reported, including infrastructure acquired prior to the implementation of GASB Statement 34. All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business Type Activities Estimated Lives</u>
Buildings and Improvements	20-40 Years	40 Years
Machinery and Equipment	5-20 Years	3-20 Years
Infrastructure	4-100 Years	40-50 Years
Vehicles	5-15 Years	5 Years

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. 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 with ten or more 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 Severance Payable" in the fund from which the employees who have accumulated leave are paid. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

M. 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 and judgments compensated absences, special termination benefits and contractually required pension contributions 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.

N. Unamortized Issuance Costs/Bond Discount and Premium

Bond issuance costs and bond premium and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates 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.

Bond discounts on the capital appreciation bonds are deferred and accreted over the term of the bonds. Bond discounts are presented as an addition to the face amount of the bonds.

On the governmental fund financial statements, governmental fund types recognize issuance costs, bond premiums, and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

O. Fund Balance Reserves

The County reserves those portions of fund equity which are legally segregated for a 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 equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, claimants, and endowments. Under Ohio law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years. The reserves for endowments are for investments held by a fiscal agent that are restricted through trust agreements for which the principal and interest are to be used for the County Children's Home.

P. Fund Balance Designations

The County reports designated fund balance for sales tax collections to be utilized for the purchase of equipment.

Q. 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

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. The restrictions for other purposes are primarily for net assets of the Miscellaneous Local, Court/Corrections and Public Safety, Emergency 911, Community Development Block Grant, Federal Emergency Management Assistance, and Senior Citizens Levy special revenue funds. Of the restricted net assets, the portion that has resulted from enabling legislation is \$2,609,972.

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

R. 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 nonoperating.

S. Capital Contributions

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

T. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating 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.

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES

Change in Accounting Principles – For the year ended December 31, 2005, the County has implemented GASB Statement No. 40, “Deposit and Investment Risk Disclosures” and GASB Statement No. 42, “Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries”.

GASB Statement No. 40 modifies the disclosures for deposits and investments. See Note 6 “Deposits and Investments” for the required disclosures.

GASB Statement No. 42 provides guidance on the accounting treatment and financial reporting requirements for impairments of capital assets and insurance recoveries. This implementation of this statement had no effect on the financial statements.

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 and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Unrecorded cash and unrecorded interest are reported on the balance sheet (GAAP basis), but not on the budgetary basis. The reconciled difference between the beginning and end of the year is reflected in the following tables as unrecorded cash.
6. 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 the end of the year on the Budget basis to the GAAP basis are as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Net Change in Fund Balances
General and Major Special Revenue Funds

	General	Public Assistance	MVGT	Mental Health	MRDD	Jail Operating Levy
GAAP Basis	\$514,650	\$104,539	(\$368,684)	\$299,859	\$527,548	(\$211,066)
Net Adjustment for Revenue Accruals	249,032	(1,162,315)	56,150	97,537	774,479	58,246
Bond Anticipation Notes Issued	0	0	500,000	0	0	0
Unrecorded Cash	(112,500)	0	0	0	(47,750)	0
Agency Fund Cash Allocation	(162,832)	0	(99,987)	(6,576)	(83,095)	(37,098)
Net Adjustment for Expenditure Accruals	79,483	466,049	172,586	(240,137)	20,586	(57,907)
Debt Service Principal	0	0	(250,000)	0	0	
Encumbrances	(129,201)	0	(133,399)	0	0	0
Budget Basis	<u>\$438,632</u>	<u>(\$591,727)</u>	<u>(\$123,334)</u>	<u>\$150,683</u>	<u>\$1,191,768</u>	<u>(\$247,825)</u>

NOTE 5 - ACCOUNTABILITY AND COMPLIANCE

A. Fund Deficits

The following funds had a deficit fund balance or deficit net assets as of December 31, 2005:

	<u>Deficit Fund Balance</u>	<u>Deficit Net Assets</u>
<u>Special Revenue Funds:</u>		
Permissive Sheriff	(\$253,241)	
Jail Operating Levy	(2,718,217)	
<u>Internal Service Fund:</u>		
Self Insurance - Health		(\$5,530,837)

The deficits in the Permissive Sheriff and Jail Operating Levy special revenue funds and the Self Insurance - Health internal service fund are due to actual cash deficits in the funds, accrued liabilities, as well as a failure to adequately fund these programs. The cash deficits are reported as payables to other funds. In order to alleviate the deficit in the Self Insurance - Health internal service fund, the County Commissioners have authorized a fifteen year repayment plan which includes increased monthly premium charges and changes to the plan guidelines.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

B. Legal Compliance:

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

	<u>Excess</u>
<u>Special Revenue Funds:</u>	
Public Assistance	
Human Services	
Contractual Services	\$984,709
MVGT	
Public Works	
Contractual Services	138,478
Capital Outlay	1,111,254

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

The Jail Operating Levy special revenue fund had appropriations in excess of estimated revenues contrary to section 5705.39, Revised Code. The County will monitor estimated revenue levels in the future to ensure that appropriations are not in excess of the amount available.

The Permissive Sheriff special revenue fund and the Self Insurance - Health internal service fund had deficit cash balance contrary to section 5705.10, Revised Code, which provides that money paid into any fund shall be used for the purpose for which the funds were established.

The County made expenditures that were not certified or recorded in accordance with section 5705.41(D), Revised Code, which provides that no subdivision shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. The County did not properly certify or record the amount against the applicable appropriation accounts for 13% of tested expenditures for calendar year 2005.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 6 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State Statute into two categories, active and inactive. Active monies are public monies determined to be necessary to meet current demand upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, 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.

Monies held by the County, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in the following securities 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. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposits 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;

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

9. Up to twenty-five percent of the County's average portfolio in either of the following:
 - a. commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase;
 - b. bankers acceptances eligible for purchase by the federal reserve system and which mature within 180 days after purchase.
10. Fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions that are doing business under authority granted by the U.S. provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase.
11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper.
12. One percent of the County's average portfolio in 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.

Reverse 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. Other than corporate notes, commercial paper, and bankers acceptances, an investment 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.

At December 31, 2005, the County's MRDD special revenue fund had a cash balance of \$47,750 with MEORC. 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. The classification of 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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

At December 31, 2005, the County's Self Insurance – Health internal service fund had a \$3,996,269 balance with OME-RESA, a claims servicing pool (See Note 23). The money is held by the claims service pool in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the County. Disclosures for the OME-RESA Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Ohio Mid-Eastern Regional Educational Service Agency, Self-Insurance Plan, Attention: Treasurer, Steubenville, Ohio 43952.

Deposits

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, \$16,679,528 of the County's bank balance of \$17,185,625 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 pledged 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.

Investments

As of December 31, 2005, the County had an investment in a United States Treasury Bill that was part of the internal investment pool. The carrying value of the investment was \$249,968 and the maturity date of the investment was May 25, 2006. The County also had investments held with fiscal agents in mutual funds with a carrying value of \$1,130,109. These mutual funds are held in the County's name and are unrated.

Interest Rate Risk. The County has no investment policy that addresses 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.

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 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 2004 for tangible personal property (other than public utility property) is for 2005 taxes.

2005 real property taxes are levied after October 1, 2005, on the assessed value as of January 1, 2005, the lien date. Assessed values are established by the State Law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Public utility tangible personal property currently is assessed at varying percentages of true collected value; public utility real property is assessed at 25 percent of true value. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

2005 tangible personal property taxes are levied after October 1, 2004, on the value as of December 31, 2004. Collections are made in 2005. Tangible personal property assessments are 25 percent of true value, and 23 percent for inventory.

The full tax rate for all County operations for the year ended December 31, 2005, was 11.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	\$784,377,760
Public Utility Personal Property	219,566,660
Tangible Personal Property	<u>126,780,017</u>
Total Assessed Property Value	<u><u>\$1,130,724,437</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 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 represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the general fund, mental health fund, emergency 911 fund, children services fund, mental retardation and developmental disabilities fund, senior citizens levy fund, jail operating fund and debt service fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 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 TAX

On June 16, 1977, the County Commissioners adopted a resolution which imposed a one half of one percent permissive sales tax and use tax (Piggy Back tax) as set forth in Section 5739.021 of the Ohio Revised Code. The tax became effective July 1, 1977.

On April 9, 1987, the County Commissioners imposed a one half of one percent increase in the permissive sales tax (Piggy Back Tax) in Jefferson County. The tax became effective August 1, 1987 for a five year period. On November 5, 1991 an additional one-half of one percent was approved by the voters of Jefferson County as a continuing tax.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

On September, 30 1994 the County Commissioners adopted resolution 1994-28 imposing two additional one-fourth of one percent permissive sales and use taxes (Piggy Back taxes) as set forth by Sections 5739.026(A)(3) and 5741.023 of the Ohio Revised Code. The tax was imposed as a continuing tax.

The revenue distributions are as follows: \$700,000 or thirty-five percent (which ever is greater) debt reduction. Of the remaining collections: 61.54 percent for road and bridge improvements, 11.54 percent for Water and Sewer improvements, 7.69 percent for building improvements associated with the General Fund, 7.69 percent for emergency associated with the General Fund, 7.69 percent for recreational improvements, 3.85 percent for computerization and geographical information systems.

The tax monies are held in trust by U.S. Bank and periodically distributed to the County as outlined in the trust agreement.

NOTE 9 - RECEIVABLES

Receivables at December 31, 2005, consisted of taxes, interest, special assessments, accounts (billings for user charged services, including unbilled utility services), 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 nonpayment. During 2005, additional special assessments in the amount of \$284,220 were assessed for the partial repayment of business-type activities debt. The additional and existing special assessments relating to the payment of debt are not expected to be fully collected within one year. The amount not scheduled for collection during the subsequent year is \$406,369. The County has \$13,391 in delinquent special assessments at December 31, 2005. During 2004 and 2005 the County experienced substantial flooding which resulted in significant road slip repairs which do not meet the County's capitalization criteria. Due to this flooding, there are Federal Emergency Management Agency grants receivable. The costs associated with the repairs are reported as public works expenses and the FEMA grants are recorded as operating grants program revenue. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	
Jail Operating Levy - Detention	\$393,797
Indigent Fee Reimbursement	23,722
Homestead/Rollback, SB 3 and HB 66 Reimbursement	1,713,211
Local Government Funding	1,092,054
Motor Vehicle License and Gas Tax	2,185,865
Miscellaneous Local Fund Grants	73,004
Public Assistance Fund Grants	1,616,364
Mental Health Fund Grants	2,646,538
Court/Corrections Fund Grants	491,444
Permissive Sheriff Fund Grants	13,378
MVGT Fund Grants	191,360
MRDD Fund Grants	1,870,478
Jail Operating Levy Fund Grants	10,068
CDBG Fund Grants	1,263,801
FEMA Fund Grants	159,861
	159,861
Total	\$13,744,945

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 10 - CAPITAL ASSETS

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

	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005
<u>Governmental Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$3,978,297	\$225,000	\$0	\$4,203,297
Construction in Progress	2,662,153	794,823	(2,601,136)	855,840
Total Non Depreciable Capital Assets	<u>6,640,450</u>	<u>1,019,823</u>	<u>(2,601,136)</u>	<u>5,059,137</u>
Depreciable Capital Assets:				
Buildings and Improvements	40,328,320	0	0	40,328,320
Machinery and Equipment	10,087,918	1,661,526	(279,301)	11,470,143
Infrastructure	67,444,298	5,003,167	(582,757)	71,864,708
Vehicles	2,187,874	150,300	(23,235)	2,314,939
Total Depreciable Capital Assets	<u>120,048,410</u>	<u>6,814,993</u>	<u>(885,293)</u>	<u>125,978,110</u>
Accumulated Depreciation:				
Buildings and Improvements	(11,180,750)	(1,036,880)	0	(12,217,630)
Machinery and Equipment	(6,414,996)	(952,850)	267,452	(7,100,394)
Infrastructure	(18,012,096)	(1,810,602)	540,972	(19,281,726)
Vehicles	(1,448,495)	(129,020)	23,235	(1,554,280)
Total Accumulated Depreciation	<u>(37,056,337)</u>	<u>(3,929,352)</u>	<u>831,659</u>	<u>(40,154,030)</u>
Total Depreciable Capital Assets, Net	<u>82,992,073</u>	<u>2,885,641</u>	<u>(53,634)</u>	<u>85,824,080</u>
Governmental Capital Assets, Net	<u>\$89,632,523</u>	<u>\$3,905,464</u>	<u>(\$2,654,770)</u>	<u>\$90,883,217</u>

*Depreciation expense was charged to governmental activities as follows:

<u>Governmental Activities:</u>	
General Government:	
Legislative and Executive	\$185,730
Judicial	126,448
Public Safety	1,078,332
Public Works	1,911,173
Health	244,414
Human Services	217,436
Economic Development and Assistance	151,037
Conservation and Recreation	14,782
Total Depreciation Expense	<u>\$3,929,352</u>

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005
<u>Business Type Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$279,700	\$0	\$0	\$279,700
Construction in Progress	3,979,434	479,991	(2,719,694)	1,739,731
Total Non Depreciable Capital Assets	<u>4,259,134</u>	<u>479,991</u>	<u>(2,719,694)</u>	<u>2,019,431</u>
Depreciable Capital Assets:				
Buildings and Improvements	749,528	0	0	749,528
Machinery and Equipment	1,141,402	11,750	0	1,153,152
Infrastructure	57,189,673	7,425,150	0	64,614,823
Vehicles	65,402	36,621	0	102,023
Total Depreciable Capital Assets	<u>59,146,005</u>	<u>7,473,521</u>	<u>0</u>	<u>66,619,526</u>
Accumulated Depreciation:				
Buildings and Improvements	(350,828)	(19,812)	0	(370,640)
Machinery and Equipment	(658,916)	(74,715)	0	(733,631)
Infrastructure	(25,702,671)	(1,467,222)	0	(27,169,893)
Vehicles	(65,402)	(1,355)	0	(66,757)
Total Accumulated Depreciation	<u>(26,777,817)</u>	<u>(1,563,104)</u>	<u>0</u>	<u>(28,340,921)</u>
Total Depreciable Capital Assets, Net	<u>32,368,188</u>	<u>5,910,417</u>	<u>0</u>	<u>38,278,605</u>
Business Type Capital Assets, Net	<u>\$36,627,322</u>	<u>\$6,390,408</u>	<u>(\$2,719,694)</u>	<u>\$40,298,036</u>

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. By contracting with the County Risk Sharing Authority (CORSA) for liability, property, and crime insurance, the County has addressed these various types of risk.

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. CORSA was established May 12, 1987, and has grown to sixty member counties.

Under the CORSA program, the County has the following coverage:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Medical Professional	6,000,000	
Foster Parents	6,000,000	
Excess	5,000,000	
 Property:		
Property	104,613,563	Replacement Cost Value
Equipment Breakdown	100,000,000	Replacement Cost Value
Newly Aquired Location	5,000,000	
Contractor's Equipment	Actual Cash Value	
Property in Transit	100,000	Each Occurrence
Extra Expense Business	1,000,000	Each Occurrence
Flood Damage	100,000,000	Each Occurrence
Earthquake Damage	100,000,000	Each Occurrence
Debris Removal	1,000,000	Each Occurrence
Valuable Papers	1,000,000	Each Occurrence
Unintentional Omissions	250,000	Each Occurrence
Auto Physical Damage	Actual Cash Value	
 Crime:		
Employee Dishonesty	\$1,000,000	Each Occurrence
Money and Securities (Inside)	\$1,000,000	Each Occurrence
Money and Securities (Outside)	\$1,000,000	Each Occurrence
Depositor's Forgery	\$1,000,000	Each Occurrence
Money Orders and Counterfeit	\$1,000,000	Each Occurrence

The deductible on the above coverage for each occurrence is \$2,500.

The amount of settlements have not exceeded commercial coverage in any of the past three years. Also, the limits have not been lowered significantly in the past year.

The County participates in the State Workers' Compensation retrospective rating and payment program. Under the retrospective rating program, the County accumulates workers' compensation premiums in the self insurance internal service fund based upon rates determined by their third party administrator as if they were not participants in the retrospective plan. A portion of the premiums are paid to the State of Ohio to cover administrative fees, while the remaining premiums are maintained in the fund and used to pay claims as they are billed by the State. Claims are billed to the County one year in arrears. Participation in the Plan is approved on a yearly basis and is limited to Counties that can meet the Plan's selection criteria. The County contracts with the firm of Gates McDonald to provide administrative, cost controls and actuarial services for the Plan.

The County provides health, dental, and vision insurance to its employees through a self-insurance plan. The County pays \$1,170 per month for every eligible employee regardless of what coverage the employee has chosen (\$1,100 for the premium and \$70 for debt reduction), with the employees paying \$87 per month for single coverage, and \$128 per month for family coverage. The County participated in the OME-RESA self-insurance consortium during 2005, and employees have the choice between two third-party administrators within the consortium, Self-Funded Plans, Inc. or the Health Plan. OME-RESA

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

administers the health, dental, and vision insurance plan. The County also pays the premiums for employee life insurance, which is contracted through Sun Life of Canada.

The claims liabilities of \$933,231 for health insurance and \$2,459,712 for workers' compensation reported in the self insurance – health and self-insurance – workers' compensation internal service funds, respectively at December 31, 2005 are based on the requirements of Governmental Accounting Standards Board Statement Number 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the County's third party administrators. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustments expenses. A summary of the fund's claims liability during the past two years is as follows:

<u>Program</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
Self Insurance - Health				
2004	\$1,681,857	\$4,761,978	\$5,353,923	\$1,089,912
2005	1,089,912	3,980,299	4,136,980	933,231
Self Insurance - Workers' Compensation				
2004	2,900,332	(168,423)	333,272	2,398,637
2005	2,398,637	410,070	348,995	2,459,712

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System:

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

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-6701 or (800) 222-7377.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 12.7 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, 2005, 2004, and 2003 were \$2,715,414, \$2,941,130, and \$2,961,673 respectively; 87.96 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$9,353 made by the County and \$5,867 made by the plan members.

B. State Teachers Retirement System (STRS):

Certified teachers employed by the school for the Board of 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. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio Web site at www.strs.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 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. 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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

For the fiscal year ended June 30, 2005, 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 2003, 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, 2005, 2004, and 2003 were \$89,127, \$102,516, and \$106,845 respectively; 100 percent has been contributed for fiscal years 2005, 2004 and 2003. No contributions were made to the DC and Combined Plans for fiscal year 2005 by the County and plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose social security or the appropriate state system. The County's liability is 6.2 percent of wages paid. No employees have elected social security.

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 benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4 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, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4 percent annually after eight years.

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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

The number of active contributing participants in the traditional and combined plans was 376,109. Actual County contributions for 2005 which were used to fund postemployment benefits were \$894,824. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) was \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs. Member and employer contribution rates increased as of January 1, 2006, which will allow additional funds to be allocated to the health care plan.

B. State Teachers Retirement System (STRS):

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS. All benefit recipients pay a portion of the health care cost in the form of a monthly premium.

By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 3.43 percent of covered payroll a decrease of 1.48 percent from fiscal year 2004. For the County, this amount equaled \$6,366 for fiscal year 2005.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2004, the balance in the Fund was \$3.1 billion. For the year ended June 30, 2004, net health care costs paid by STRS were \$268,739,000 and STRS had 111,853 eligible benefit recipients.

NOTE 14 – 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 acquired at least one year of service with the County. Accumulated, unused sick leave and compensatory time is paid upon retirement at varying rates depending on length of service and department policy.

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for copying equipment, office equipment and vehicles. During 2005, the County entered into additional capital leases for a telephone system and sheriff's cruisers. Each lease meets the criteria of a capital lease as defined by Statement of Financial

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally 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 \$179,637, 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 governmental activities. Governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of \$100,000 for machinery and equipment and \$58,562 for vehicles. Principal payments towards capital leases during 2005 totaled \$87,560 for governmental activities.

Future minimum lease payments through 2010 are as follows:

Year	Governmental Activities	
	Principal	Interest
2006	\$31,980	\$7,547
2007	25,967	5,588
2008	12,874	3,701
2009	14,222	2,353
2010	15,701	864
Total	\$100,744	\$20,053

NOTE 16 - CONSTRUCTION COMMITMENTS

As of December 31, 2005, the County had the following contractual purchase commitments:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Project	Fund	Purchase Commitment	Amounts Paid as of 12/31/2005	Amounts Remaining on Contracts
<u>Capital:</u>				
Wintersville PRV Project	Water	\$75,000	\$55,270	\$19,730
Toronto Waterline Extension **	Water	8,500,000	7,183,238	1,316,762
M Booster Waterline Extension	Water	123,500	5,145	118,355
Co. Road 53 Waterline Ext.	Water	184,500	816	183,684
St. Route 646 Waterline Ext.	Water	1,100,000	173,215	926,785
Bergholz Waterline Ext.	Water	1,085,000	90,971	994,029
St. Route 43 Waterline Relocation	Water	421,000	15,863	405,137
Crestview-Belvedere				
Sanitary Sewer	Sewer	5,500,000	1,144,507	4,355,493
Sunshine Park Sanitary Sewer	Sewer	5,100,000	122,233	4,977,767
Package Plant Improvements	Sewer	250,000	4,463	245,537
Barbers Hollow				
Wastewater Treatment Plant	Sewer	400,000	37,155	362,845
Overlook Hills Sanitary Sewer	Sewer	45,000	0	45,000
Airpark Sanitary Sewer	Sewer	29,186	29,186	0
Airpark Runway Project	Miscellaneous Local	2,883,904	2,883,904	0
E-911 Building Project	Permanent Improvement	1,500,000	314,229	1,185,771
Mental Health New Alexandria				
Care Facility Rennovations	Permanent Improvement	197,000	54,388	142,612
Mental Health Safe Haven				
Construction Project	Permanent Improvement	1,050,000	10,600	1,039,400
Co. Road 1 Guardrail Project	MVGT	394,399	394,399	0
Co. Road 7F Bridge Project **	MVGT	839,991	827,085	12,906
Co. Road 17 Bridge Project	MVGT	363,481	61,279	302,202
Co. Road 51 Bridge Project **	MVGT	117,693	0	117,693
Knox Twp Road 243 Bridge Project	MVGT	300,000	24,431	275,569
Total Capital Construction Commitments		<u>30,459,654</u>	<u>13,432,377</u>	<u>17,027,277</u>
<u>Non-Capital:</u>				
Airpark Wetlands Project	Miscellaneous Local	35,264	0	35,264
GIS Project	Miscellaneous Local	700,000	466,883	233,117
Total Commitments		<u>\$31,194,918</u>	<u>\$13,899,260</u>	<u>\$17,295,658</u>

** Denotes projects that were substantially completed during 2005 and placed in service, although there are still outstanding contract amounts to be paid.

NOTE 17 - LONG-TERM LIABILITIES

Changes in the County's long-term liabilities during 2005 consist of the following:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

	Outstanding 12/31/2004	Additions	Reductions	Outstanding 12/31/2005	Amounts Due Within One Year
<u>Governmental Activities:</u>					
<i>General Obligation Bonds</i>					
<i>Jail Construction - 1995, \$3,540,000</i>					
Term @ 6.625%	\$440,000	\$0	\$440,000	\$0	\$0
<i>Jail Construction Refunding - 1998, \$10,657,219</i>					
Serial/Term - \$10,020,000 @ 3.75%-5.75%	8,390,000	0	245,000	8,145,000	0
CAB - \$637,219 @ 4.7%-5.0%	637,219	0	0	637,219	173,171
Accretion on CAB - \$2,997,781 @ 17.2%	1,270,810	350,100	0	1,620,910	556,829
<i>Various Purpose/Refunding - 1998, \$17,760,000</i>					
Human Services Refunding - \$2,515,000					
Serial/Term @ 3.75%-5.70%	1,790,000	0	190,000	1,600,000	190,000
Jail Construction Additional - \$7,180,000					
Serial/Term @ 3.75%-5.70%	5,760,000	0	315,000	5,445,000	345,000
Emergency 911 - \$2,590,000					
Serial/Term @ 3.75%-5.70%	920,000	0	285,000	635,000	310,000
Engineer Road Projects - \$5,475,000					
Serial/Term @ 3.75%-5.70%	4,285,000	0	230,000	4,055,000	260,000
<i>Various Purpose - 2004, \$8,010,000</i>					
Jail Construction - 2004, \$4,335,000					
Serial/Term @ 2.0%-5.375%	4,335,000	0	10,000	4,325,000	10,000
Premium - \$131,512	131,512	0	4,384	127,128	0
Total General Obligation Bonds	27,959,541	350,100	1,719,384	26,590,257	1,845,000
<i>Long Term Notes Payable</i>					
GIS - 2001, \$700,000 @ 4.87%	300,053	0	146,489	153,564	153,564
Airpark Jet Fuel Tank - 2001, \$198,000 @ 4.50%	158,400	0	13,200	145,200	13,200
Airpark Runway Ext. - 2005, \$202,000 @ 5.25%	0	202,000	8,298	193,702	29,541
911 Building - 2005, \$1,500,000 @ 4.34%	0	1,500,000	0	1,500,000	122,711
Airpark Hangers - 1998, \$255,368 @ 5.10%	50,142	0	50,142	0	0
Total Long Term Notes Payable	508,595	1,702,000	218,129	1,992,466	319,016
<i>State Infrastructure Bank Loan</i>					
Airpark Land - 1998, \$370,000 @ 4.25%	209,045	0	49,012	160,033	51,118
<i>OPWC Loan</i>					
Road Resurfacing - 1992, \$130,046 @ 0%	55,272	0	6,502	48,770	6,502
Capital Leases	47,022	141,282	87,560	100,744	31,980
Workers' Compensation Claims Payable	2,398,637	410,070	348,995	2,459,712	291,675
Tax Refund	22,035	0	22,035	0	0
Contract Payable	47,366	0	31,576	15,790	15,790
Account Payable	67,319	0	16,830	50,489	16,830
SBC Loan Payable	208,194	0	50,348	157,846	53,056
Compensated Absences	2,245,321	1,478,968	1,558,723	2,165,566	149,845
Total Governmental Activities	\$33,768,347	\$4,082,420	\$4,109,094	\$33,741,673	\$2,780,812

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

	Outstanding 12/31/2004	Additions	Reductions	Outstanding 12/31/2005	Amounts Due Within One Year
Business Type Activities:					
Mortgage Revenue Bonds					
Water Improvement Revenue - 1965					
\$1,360,000 @ 4.00%	\$61,000	\$0	\$61,000	\$0	\$0
General Obligation Bonds					
<i>Various Purpose - 2004, \$8,010,000</i>					
Water Projects - \$1,855,000					
Serial/Term @ 2.0%-5.375%	1,855,000	0	50,000	1,805,000	55,000
"Net" Premium - \$77,967	77,967	0	3,119	74,848	0
Sewer Projects - \$1,470,000					
Serial/Term @ 2.0%-5.375%	1,470,000	0	25,000	1,445,000	25,000
"Net" Premium - \$42,082	42,082	0	1,403	40,679	0
Tidd-Dale/Hazelwood Sewer Projects - \$350,000					
Serial/Term @ 2.0%-5.375%	350,000	0	15,000	335,000	10,000
"Net" Premium - \$21,063	21,063	0	1,053	20,010	0
Total General Obligation Bonds	3,816,112	0	95,575	3,720,537	90,000
OWDA Loans					
Water - 1989, \$4,181,879 @ 7.0%	2,526,227	0	188,759	2,337,468	203,652
George's Run Sewer - 1986, \$709,116 @ 2.0%	296,462	0	30,392	266,070	30,999
Reed's Mills/Barbers Hollow Treatment Plant 1990, \$4,708,811 @ 5.0%	1,898,286	0	278,632	1,619,654	292,738
Total OWDA Loans	4,720,975	0	497,783	4,223,192	527,389
OPWC Loans					
Airpark Water - 1993, \$178,000 @ 0%	84,550	0	8,900	75,650	8,900
Water Rehabilitation - 1995, \$329,744 @ 0%	219,829	0	21,983	197,846	21,983
Water Tank - 1995, \$40,000 @ 0%	36,000	0	8,000	28,000	8,000
Piney Fork Waterline - 1998, \$195,000 @ 0%	160,575	0	9,750	150,825	9,750
Norton Hill, Empire - 1998, \$113,589 @ 0%	90,872	0	5,679	85,193	5,679
Water Rehabilitation - 1997, \$226,000 @ 0%	135,599	0	15,067	120,532	15,067
Total OPWC Loans	727,425	0	69,379	658,046	69,379
Ohio EPA Loan Payable					
Toronto Waterline Connector Project 2004, \$7,888,745 @ 3.35%	105,882	6,801,673	141,122	6,766,433	289,392
Long Term Notes Payable					
Water Project - 2004, \$750,000 @ 2.10%	750,000	0	750,000	0	0
Compensated Absences					
	73,539	56,362	47,736	82,165	4,001
Total Business Type Activities	\$10,254,933	\$6,858,035	\$1,662,595	\$15,450,373	\$980,161

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Governmental Activities:

1995 Jail Construction Bonds – On January 15, 1995, Jefferson County issued \$14,200,000 of general obligation bonds that consisted of \$3,540,000 term bonds, due 2005 at 6.625 percent and \$10,660,000 term bonds due 2019 at 7.125 percent. The bonds were issued for a 25 year period with final maturity at December 1, 2019. The \$10,660,000 term bonds were refunded in 1998, leaving \$3,540,000 term bonds outstanding. The bonds were fully retired during 2005 from the debt service fund from the proceeds of a bond issue tax levy.

1998 Jail Construction Refunding Bonds – On March 13, 1998 Jefferson County issued \$10,657,219 of general obligation bonds which included serial, term and capital appreciation (deep discount) bonds in the amount of \$3,365,000, \$6,655,000, and \$637,219, respectively. These bonds are not subject to prior optional redemption. These refunding bonds were issued along with additional various purpose improvement and refunding bonds of \$17,760,000 which are described below. The jail construction refunding bonds replaced the 1995 \$10,660,000 term bonds. The bonds are being retired from the debt service fund from the proceeds of a bond issue tax levy.

The term bonds mature in the year 2019 and are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, in each of the years 2013 through 2018 (with the balance of \$1,115,000 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>Date</u>	<u>Principal Amount to be Redeemed</u>
2013	\$800,000
2014	850,000
2015	895,000
2016	940,000
2017	1,000,000
2018	1,055,000
	<u>\$5,540,000</u>

The capital appreciation bonds were sold at a discount of \$2,997,781, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2006 through 2010. The maturity amount of the capital appreciation bonds is \$3,635,000. The accretion recorded for 2005 was \$350,100, for a total bond liability of \$2,258,129.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Principal and interest requirements to retire the 1998 Jail Construction Refunding Bonds outstanding at December 31, 2005 are as follows:

Year Ending December 31	Serial and Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Accretion/ Interest
2006	\$0	\$456,055	\$173,171	\$556,829
2007	0	456,055	145,827	579,173
2008	0	456,056	124,494	605,506
2009	0	456,055	193,727	620,165
2010	725,000	912,110	0	636,108
2011-2015	3,310,000	1,883,699	0	0
2016-2019	4,110,000	607,488	0	0
Totals	<u>\$8,145,000</u>	<u>\$5,227,518</u>	<u>\$637,219</u>	<u>\$2,997,781</u>

1998 Various Purpose Improvement and Refunding Bonds – On March 13, 1998 Jefferson County issued \$17,760,000 of general obligation bonds which included serial and term bonds in the amount of \$10,885,000 and \$6,875,000, respectively. These various purpose improvement and refunding bonds were issued along with the jail construction refunding bonds \$10,657,219 which were described above. A breakdown of this portion of the total bond issue is as follows:

\$2,515,000 of these general obligation bonds were issued to refund \$2,275,000 of outstanding 1991 human services complex bonds. These bonds are being retired through the debt service fund from rental income from the Department of Human Services.

\$7,180,000 of these general obligation bonds were issued for additional jail construction purposes. These bonds are being retired through the debt service fund from tax levy proceeds.

\$2,590,000 of these general obligation bonds were issued for emergency 911 equipment. These bonds are being retired through the debt service fund from tax levy proceeds.

\$5,475,000 of these general obligation bonds were issued for engineer road improvements. These bonds are being retired through the debt service fund from tax levy proceeds.

Bonds maturing on or after December 1, 2009, except for the 2013 term bond, are subject to prior redemption on or after December 1, 2008 by and at the sole option of the County, either in whole on any date or in part (as selected by the County) on any interest payment date and in integral multiples of \$5,000, at the following redemption prices (expressed as percentages of the principal amount redeemed), plus accrued interest to the redemption date:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2008 through November 30, 2009	101.0%
December 1, 2009 through November 30, 2010	100.5%
December 1, 2010 and thereafter	100.0%

The term bonds mature in the year 2013 and are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, in each of the years 2011 through 2012 (with the balance of \$1,010,000 to be paid at stated maturity on December 1, 2013) 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:

Date	Principal Amount to be Redeemed
2011	\$930,000
2012	965,000
	\$1,895,000

The term bonds mature in the year 2017 and are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, in each of the years 2014 through 2016 (with the balance of \$1,020,000 to be paid at stated maturity on December 1, 2017) 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:

Date	Principal Amount to be Redeemed
2014	\$1,050,000
2015	925,000
2016	975,000
	\$2,950,000

Principal and interest requirements to retire the 1998 Various Purpose Improvement and Refunding Bonds outstanding at December 31, 2005 are as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Year Ending December 31	Serial and Term Bonds	
	Principal	Interest
2006	\$1,105,000	\$591,071
2007	1,140,000	540,793
2008	845,000	488,353
2009	870,000	449,061
2010	900,000	407,736
2011-2015	4,880,000	1,275,730
2016-2017	1,995,000	150,750
Totals	\$11,735,000	\$3,903,494

2004 Various Purpose Bonds – On November 9, 2004 Jefferson County issued \$8,010,000 of general obligation bonds which included serial and term bonds in the amount of \$1,595,000 and \$6,415,000, respectively. These various purpose bonds were issued to permanently finance outstanding bond anticipation notes and pay the costs of issuance of these bonds for governmental and business type activities in the amounts of \$4,335,000 (\$625,000 serial bonds and \$3,710,000 term bonds) and \$3,675,000 (\$970,000 serial bonds and \$2,705,000 term bonds), respectively. These various purpose bonds were issued with a “net” premium/discount of \$131,512 for governmental and \$141,112 for business type activities, which is reported as an increase to bonds payable. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The amortization of the premium for 2005 was \$4,384 for governmental activities and \$5,575 for business type activities. The issuance costs, \$111,777 for governmental and \$94,759 for business type activities, are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method. The amortization of the issuance costs for 2005 was \$3,729 for governmental activities and \$3,627 for business type activities.

A breakdown of the business-type portion of this bond issue is addressed below in the business type activity portion of this note. The governmental portion of the total bond issue, \$4,335,000, was issued to repay the jail construction bond anticipation note that was originally issued to finance legal fees and additional repairs of the county jail facility. These bonds are being retired through the debt service fund from permissive sales and use tax revenues.

Bonds maturing on or after December 1, 2019 shall be subject to redemption at the option of the County by lot, in such order as determined by the County in whole or in part (in the amount of \$5,000 or any integral multiples thereof), on any date on or after December 1, 2014, at the redemption price of par, plus accrued interest to the redemption date

Series 2004 Bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption prior to maturity from funds in the Bond Retirement Fund created by the Authorizing Legislation (or document authorized thereby) by lot by the Registrar and Paying Agent without action by the County at par plus accrued interest to the date of redemption in the following principal amounts on December 1 of each of the following years:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Date	Principal Amount Subject to Mandatory Redemption
2015	\$110,000
2016	115,000
2017	120,000
2018	130,000
2019 *	135,000
	\$610,000
* Maturity	

Series 2004 Bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption prior to maturity from funds in the Bond Retirement Fund created by the Authorizing Legislation (or document authorized thereby) by lot by the Registrar and Paying Agent without action by the County at par plus accrued interest to the date of redemption in the following principal amounts on December 1 of each of the following years:

Date	Principal Amount Subject to Mandatory Redemption
2020	\$140,000
2021	150,000
2022	160,000
2023	165,000
2024 *	175,000
	\$790,000
* Maturity	

Series 2004 Bonds maturing on December 1, 2029, are subject to mandatory sinking fund redemption prior to maturity from funds in the Bond Retirement Fund created by the Authorizing Legislation (or document authorized thereby) by lot by the Registrar and Paying Agent without action by the County at par plus accrued interest to the date of redemption in the following principal amounts on December 1 of each of the following years:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Date	Principal Amount Subject to Mandatory Redemption
2025	\$185,000
2026	195,000
2027	205,000
2028	215,000
2029 *	225,000
	\$1,025,000
* Maturity	

Series 2004 Bonds maturing on December 1, 2034, are subject to mandatory sinking fund redemption prior to maturity from funds in the Bond Retirement Fund created by the Authorizing Legislation (or document authorized thereby) by lot by the Registrar and Paying Agent without action by the County at par plus accrued interest to the date of redemption in the following principal amounts on December 1 of each of the following years:

Date	Principal Amount Subject to Mandatory Redemption
2030	\$235,000
2031	245,000
2032	255,000
2033	270,000
2034 *	280,000
	\$1,285,000
* Maturity	

Principal and interest requirements to retire the governmental activities portion of the 2004 Various Purpose Bonds outstanding at December 31, 2005 are as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Year Ending December 31	Serial and Term Bonds	
	Principal	Interest
2006	\$10,000	\$204,013
2007	10,000	203,814
2008	10,000	203,614
2009	90,000	203,376
2010	95,000	200,946
2011-2015	510,000	958,959
2016-2020	640,000	830,007
2021-2025	835,000	638,119
2026-2030	1,075,000	407,314
2031-2034	1,050,000	127,536
Totals	\$4,325,000	\$3,977,698

Long Term Notes Payable - The County has issued several long term notes payable, all of which are backed by the full faith and credit of the County. The County fully repaid one revenue anticipation note during 2005 that had been issued for airpark hangars consolidation. The County has one outstanding tax anticipation note in the amount of \$153,564 that was issued for geographical information systems. This note is being repaid through the debt service fund from county tax revenues. The County has three outstanding revenue anticipation notes which were issued for the following purposes: \$145,200 for the jet fuel tank at the airpark, \$193,702 for runway extension at the airpark, and \$1,500,000 for a new 911 facility. The airpark outstanding notes are being repaid through the debt service fund from rental revenues and the sale of fuel generated through the use of the airpark. The 911 outstanding note is being repaid through the debt service fund from county general revenues. All of the notes were issued with a fixed interest rate with the exception of the note issued for the airpark runway extension which was issued at an initial interest rate of 4.88% and will vary based upon the prime rate multiplied by (1-35.00%) plus .30%.

State Infrastructure Bank Loan - The County entered into a loan agreement in 1998 with the Ohio Department of Transportation for a \$370,000 State Infrastructure Bank Loan at 4.25 percent to be repaid over 10 years. These loan proceeds were used to purchase a tract of land at the airpark to be used in conjunction with Federal Aviation Administration grant monies for expansion of the runway to enhance further development within the County. The loan is backed by the full faith and credit of the County and will be repaid primarily with sales tax revenues and partially with net revenues of the airpark. The outstanding balance at December 31, 2005 is \$160,033.

OPWC Road Resurfacing Loan - The outstanding \$48,770 OPWC road resurfacing loan was issued for road repairs and will be repaid through county taxes. The OPWC loan is interest free.

Principal and interest requirements to retire the long term notes payable, state infrastructure bank loan, and the OPWC Road Resurfacing Loan outstanding at December 31, 2005 are as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Year Ending December 31	Notes Payable		SIB Loan		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2006	\$319,016	\$89,017	\$51,118	\$5,895	\$6,502
2007	172,308	73,923	53,312	3,829	6,502
2008	179,593	65,897	55,603	1,674	6,502
2009	187,252	57,461	0	0	6,502
2010	195,248	48,706	0	0	6,502
2011-2015	939,049	111,055	0	0	16,260
Totals	<u>\$1,992,466</u>	<u>\$446,059</u>	<u>\$160,033</u>	<u>\$11,398</u>	<u>\$48,770</u>

Capital Leases – The County has issued capital leases for copying equipment, office equipment, telephone systems and vehicles. These leases will be repaid through the General, Public Assistance, Permissive Sheriff, Emergency 911, and Court Corrections/Public Safety funds from County revenues.

Workers' Compensation Claims Payable – The County has a liability for workers' compensation as part of the State Workers Compensation retrospective rating and payment program. The County will pay the claims payable from the General fund, Miscellaneous Local, Public Assistance, Motor Vehicle and Gasoline Tax, Mental Health, Court/Corrections, Permissive Sheriff, Children Services, Mental Retardation and Developmental Disabilities and Jail Operating Levy special revenue funds, and the Sewer and Water enterprise funds using payments made to the internal service fund.

Tax Refund – The County had a liability to the Duquesne Light Corporation, a public utility company, for repayment of taxes from tax year 1999. The final determination of the refund was issued on June 6, 2000 and was scheduled to be repaid over a five year period through a reduction of ten tax settlements. The final payment of the refund was made during 2005. The liability was repaid through the General, Mental Retardation and Developmental Disabilities, Mental Health, Tuberculosis/Crippled Child Levy, Children Services, Miscellaneous Local, and Jail Operating Levy special revenue funds, and the Jail Construction capital projects fund.

Contract Payable – The County has entered into an agreement with the Ohio Department of Transportation for the repayment of the County's local matching share for a road widening project for State Route 43. This project was completed pursuant to the County's development of property for the Wal-Mart Distribution Center and the assets are not capital assets of the County. The agreement was authorized on August 9, 2004 by the County Commissioners and requires eight quarterly payments that began with the quarter ended September 30, 2004. The outstanding balance of \$15,790 is scheduled to be repaid during 2006.

Account Payable – The County has an outstanding account payable with SBC for prior year fiber optic service that had previously not been billed to the County. The repayment agreement calls for three remaining annual payments which are scheduled as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Year Ending December 31	Principal
2006	\$16,830
2007	16,830
2008	16,829
Totals	\$50,489

SBC Loan Payable – The County has entered into an agreement with SBC for prepaid, discounted service over a 60 month period pursuant to PUCO guidelines. The agreement was effective October 9, 2003. The County will receive 60 months of discounted telephone service at an 11 percent discount through the “Centrex Service Prepayment Option Plan B” offered by SBC through World Radio Telecommunications, an authorized distributor firm of SBC. In order to receive the 11 percent discount on the entire phone service, excluding federal taxes, the County must prepay for the entire 60 months of the service. The agreement is for service only and does not include any property or equipment.

In order for the County to prepay the entire amount of the 60 months of discounted service, they entered into an agreement with SBC for them to loan the County the amount of the 60 months of discounted phone service at a 5.25 percent effective annual interest rate, to be repaid over 60 months. Principal and interest requirements to retire the loan outstanding at December 31, 2005 are as follows:

Year Ending December 31	Principal	Interest
2006	\$53,056	\$7,022
2007	55,909	4,169
2008	48,881	1,184
Totals	\$157,846	\$12,375

Compensated Absences – The County will pay compensated absences from the General fund, Miscellaneous Local, Public Assistance, Motor Vehicle and Gasoline Tax, Mental Health, Court/Corrections, Permissive Sheriff, Children Services, Mental Retardation and Developmental Disabilities and Jail Operating Levy special revenue funds, and the sewer and water enterprise funds.

Business Type Activities:

Water Improvement Revenue Bonds – In 1965, the County issued mortgage revenue bonds in the amount of \$1,360,000 for water improvements. The final payment of these bonds occurred in 2005. These bonds were paid from revenues derived by the County from the operation of the water system.

The Water Funds' related bond indentures had certain restrictive covenants which principally required that bond reserve funds be maintained and charges for fees to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions existed

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

regarding covenant violations, redemption of principal, and maintenance of properties in good condition. On April 20, 2005, with the final repayment being made, the fiscal agent refunded the County the entire balance of the trust accounts that had been held to satisfy the bond indenture agreement that had been reported as restricted assets.

2004 Various Purpose Bonds – On November 9, 2004 Jefferson County issued \$8,010,000 of general obligation bonds which included serial and term bonds in the amount of \$1,595,000 and \$6,415,000, respectively. These various purpose bonds were issued to permanently finance outstanding bond anticipation notes and pay the costs of issuance of these bonds for governmental and business type activities in the amounts of \$4,335,000 (\$625,000 serial bonds and \$3,710,000 term bonds) and \$3,675,000 (\$970,000 serial bonds and \$2,705,000 term bonds), respectively. These various purpose bonds were issued with a “net” premium of \$131,512 for governmental and \$141,112 for business type activities, which is reported as an increase to bonds payable. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The amortization of the premium for 2005 was \$4,384 for governmental activities and \$5,575 for business type activities. The issuance costs, \$111,777 for governmental and \$94,759 for business type activities, are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method. The amortization of the issuance costs for 2005 was \$3,729 for governmental activities and \$3,627 for business type activities.

A breakdown of the business-type portion of this bond issue is as follows:

\$1,855,000 of these general obligation bonds were issued to permanently finance bond anticipation notes that were previously issued for various water projects. These bonds are being retired through the water fund from revenues derived from the operation of the water system.

\$1,470,000 of these general obligation bonds were issued to permanently finance bond anticipation notes that were previously issued for various sewer projects. These bonds are being retired through the sewer fund from revenues derived from the operation of the sewer system.

\$350,000 of these general obligation bonds were issued to permanently finance bond anticipation notes that were previously issued for Tidd-Dale and Hazelwood sewer expansion. These bonds are being retired through the sewer fund, and are intended to be partially repaid through special assessments as well as from revenues derived from the operation of the sewer system. In the event of default of the property owners, the sewer fund will make the required debt payments through operating revenues.

Bonds maturing on or after December 1, 2019 shall be subject to redemption at the option of the County by lot, in such order as determined by the County in whole or in part (in the amount of \$5,000 or any integral multiples thereof), on any date on or after December 1, 2014, at the redemption price of par, plus accrued interest to the redemption date

Series 2004 Bonds maturing on December 1, 2019, are subject to mandatory sinking fund redemption prior to maturity from funds in the Bond Retirement Fund created by the Authorizing Legislation (or document authorized thereby) by lot by the Registrar and Paying Agent without action by the County at par plus accrued interest to the date of redemption in the following principal amounts on December 1 of each of the following years:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Date	Principal Amount Subject to Mandatory Redemption
2015	\$110,000
2016	115,000
2017	125,000
2018	130,000
2019 *	140,000
	\$620,000
* Maturity	

Series 2004 Bonds maturing on December 1, 2024, are subject to mandatory sinking fund redemption prior to maturity from funds in the Bond Retirement Fund created by the Authorizing Legislation (or document authorized thereby) by lot by the Registrar and Paying Agent without action by the County at par plus accrued interest to the date of redemption in the following principal amounts on December 1 of each of the following years:

Date	Principal Amount Subject to Mandatory Redemption
2020	\$145,000
2021	155,000
2022	165,000
2023	170,000
2024 *	175,000
	\$810,000
* Maturity	

Series 2004 Bonds maturing on December 1, 2029, are subject to mandatory sinking fund redemption prior to maturity from funds in the Bond Retirement Fund created by the Authorizing Legislation (or document authorized thereby) by lot by the Registrar and Paying Agent without action by the County at par plus accrued interest to the date of redemption in the following principal amounts on December 1 of each of the following years:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Date	Principal Amount Subject to Mandatory Redemption
2025	\$160,000
2026	165,000
2027	175,000
2028	180,000
2029 *	190,000
	\$870,000
* Maturity	

Series 2004 Bonds maturing on December 1, 2034, are subject to mandatory sinking fund redemption prior to maturity from funds in the Bond Retirement Fund created by the Authorizing Legislation (or document authorized thereby) by lot by the Registrar and Paying Agent without action by the County at par plus accrued interest to the date of redemption in the following principal amounts on December 1 of each of the following years:

Date	Principal Amount Subject to Mandatory Redemption
2030	\$75,000
2031	75,000
2032	80,000
2033	85,000
2034 *	90,000
	\$405,000
* Maturity	

Principal and interest requirements to retire the business type activities portion of the 2004 Various Purpose Bonds outstanding at December 31, 2005 are as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Year Ending December 31	Water Projects		Sewer Projects		Tidd-Dale Hazelwood Sewer Projects	
	Serial and Term Bonds		Serial and Term Bonds		Serial and Term Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$55,000	\$81,302	\$25,000	\$66,250	\$10,000	\$14,696
2007	50,000	80,202	30,000	65,750	15,000	14,496
2008	50,000	79,202	30,000	65,150	15,000	14,196
2009	50,000	78,014	30,000	64,438	15,000	13,838
2010	50,000	76,664	30,000	63,628	15,000	13,434
2011-2015	285,000	358,052	160,000	303,879	75,000	60,124
2016-2020	355,000	286,768	205,000	263,024	95,000	41,388
2021-2025	460,000	179,808	270,000	200,945	95,000	13,167
2026-2030	450,000	54,618	335,000	127,772	0	0
2031-2034	0	0	330,000	40,378	0	0
Totals	<u>\$1,805,000</u>	<u>\$1,274,630</u>	<u>\$1,445,000</u>	<u>\$1,261,214</u>	<u>\$335,000</u>	<u>\$185,339</u>

OWDA Loans – The County has issued OWDA Loans for various water and sewer projects. These loans will be repaid from charges for services revenue in the enterprise funds, with the exception of the George’s Run Sewer OWDA Loan that will be repaid from special assessments. Upon default of the property owners, sewer fund operating revenues will repay the debt.

OPWC Loans – The County has issued OPWC Loans for various water and sewer projects. These loans will be repaid from charges for services revenue in the enterprise funds. The OPWC Loans are interest free.

The OWDA and OPWC loan debt service requirements to maturity are as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Year Ending December 31	<u>OWDA Loans</u>		<u>OPWC Loans</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>
2006	\$527,389	\$246,314	\$69,379
2007	558,897	216,618	69,379
2008	592,435	185,036	69,379
2009	628,143	151,437	65,379
2010	666,240	115,617	61,379
2011-2015	1,250,088	193,120	241,428
2016-2020	0	0	77,145
2021	0	0	4,578
Totals	<u>\$4,223,192</u>	<u>\$1,108,142</u>	<u>\$658,046</u>

Ohio EPA Loan Payable – The County entered into a loan agreement on November 2, 2004 with the Ohio Water Development Authority for a \$7,888,745 Ohio EPA Loan from the Water Supply Revolving Loan Account at 3.35 percent that, upon completion of the project, will be scheduled to be repaid over twenty years. These loan proceeds are being drawn down for the completion of Toronto waterline connector project that will allow the County to purchase water from the City of Toronto. The loan is backed by the full faith and credit of the County and is intended to be repaid with user charges. During 2004 the County received \$105,882 in loan proceeds, and during 2005 the County received \$6,801,673 in loan proceeds. During 2005 the County made \$141,122 of principal payments on the loan. The project is scheduled for completion during 2006. Based on the current status of the Ohio EPA Loan, the following repayment schedule is tentatively in place, but a final loan repayment schedule will be provided at the point the project is complete.

Year Ending December 31	<u>Principal</u>	<u>Interest</u>
2006	\$289,392	\$259,159
2007	299,167	249,384
2008	309,274	239,277
2009	319,721	228,830
2010	330,521	218,030
2011-2015	1,827,822	914,934
2016-2020	2,158,120	584,635
2021-2025	<u>2,273,830</u>	<u>194,649</u>
Totals	<u>\$7,807,847</u>	<u>\$2,888,898</u>

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Long Term Notes Payable - The County issued a long term note payable for a water project. The twelve month bond anticipation note was originally issued on April 7, 2003, and was refinanced on April 7, 2004 as a twelve month issue, due on April 7, 2005. This note was fully repaid on April 7, 2005 with proceeds of the Ohio EPA Loan that will be repaid through user charges.

Debt Margins:

The Ohio Revised Code provides that the net general obligation debt of the County, exclusive of certain exempt debt, issued without a vote of the electors shall never exceed one percent of the total assessed valuation of the County. The Code further provides that the total voted and unvoted net debt of the County less the same exempt debt shall never exceed a sum equal to three percent of the first \$100,000,000 of the assessed valuation, plus one and one-half percent of such valuation in excess of \$100,000,000 and not in excess of \$300,000,000, plus two and one-half percent of such valuation in excess of \$300,000,000.

The effects of the debt limitations described above at December 31, 2005 are a margin on unvoted debt of \$6,456,319, and an overall debt margin of \$21,917,186.

Conduit Debt:

Pursuant to State Statute, various industrial revenue bonds have been issued for private industry within Jefferson 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, 2005, there is \$20,875,000 in industrial revenue bond issues that have not been completely repaid of which \$3,845,000 remain outstanding.

Defeased Debt:

On March 13, 1998, the County issued \$10,657,219 in general obligation bonds with an interest rate of 4.95 percent to 5.089 percent to advance refund \$12,935,000 of the outstanding 1991 Human Services Complex bonds and the 1995 Jail Construction bonds with an interest rate of 6.714 percent to 7.250 percent. The serial bonds mature on December 1, 2019. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. Government Securities, which were deposited into an irrevocable trust with an escrow agent to provide future debt service payments on the refunded bonds were removed from the County's financial statements. As of December 31, 2005 \$10,660,000 of the refunded bonds remained outstanding.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 18 - NOTES PAYABLE

	Outstanding 12/31/04	Issued	Retired	Outstanding 12/31/05
<u>Governmental Funds</u>				
<i>Special Revenue Fund:</i>				
MVGT - Various Road Projects - 3.89%	\$250,000	\$500,000	\$250,000	\$500,000
Total Governmental Funds	250,000	500,000	250,000	500,000
<i>Enterprise Funds:</i>				
Water RECDS Consolidation - 5.60%	121,891	0	17,418	104,473
Sewer Projects - 3.59%	950,000	700,000	950,000	700,000
Sewer RECDS Consolidation - 5.60%	46,509	0	6,640	39,869
Total Enterprise Funds	1,118,400	700,000	974,058	844,342
Total	\$1,368,400	\$1,200,000	\$1,224,058	\$1,344,342

The outstanding special revenue fund note and sewer projects note are bond anticipation notes which are backed by the full faith and credit of Jefferson County and have a maturity of one year or less, and no long term financing arrangements have been made for these notes. The special revenue fund note will be repaid with FEMA reimbursements and permissive sales tax revenue. The sewer projects note will be repaid through user charges.

The outstanding RECDS Consolidation notes for the water and sewer funds are revenue anticipation notes. These revenue anticipation bonds are scheduled to be repaid over a two year period and a schedule of debt service requirements is below.

Year Ending December 31	Water RECDS Consolidation		Sewer RECDS Consolidation	
	Principal	Interest	Principal	Interest
2006	\$104,473	\$5,934	\$39,869	\$2,262

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 19 – INTERNAL BALANCES

Interfund balances at December 31, 2005 consist of the following individual interfund receivables and payables:

<u>Interfund Payable</u>	Interfund Receivable							Total
	Major Funds					Other Nonmajor Governmental	Self Insurance - Workers' Compensation	
	General	Public Assistance	MVGT	Mental Health	MRDD			
Major Funds:								
General Fund	\$0	\$0	\$0	\$5,548	\$0	\$0	\$190,699	\$196,247
Public Assistance	25,150	0	0	0	0	25,858	159,386	210,394
MVGT	0	0	0	0	0	0	91,651	91,651
Mental Health	0	0	0	0	0	0	10,063	10,063
MRDD	0	0	0	0	0	0	229,470	229,470
Jail Operating								
Levy	0	0	0	897,826	0	1,850,000	92,764	2,840,590
Sewer	0	0	0	0	0	0	5,694	5,694
Water	0	0	7,968	0	0	0	82,472	90,440
Other Nonmajor								
Governmental	32,005	84,452	159,861	500,000	0	0	198,154	974,472
Self Insurance - Health	1,112,360	0	0	52,174	1,800,000	1,100,000	5,016,453	9,080,987
Total All Funds	\$1,169,515	\$84,452	\$167,829	\$1,455,548	\$1,800,000	\$2,975,858	\$6,076,806	\$13,730,008

\$25,150 of the interfund payable in the Public Assistance Fund is for an overpayment made from the General Fund to the Public Assistance Fund for state mandated share of expenses in previous years. This was discovered during a special audit completed by the State Department of Job and Family Services.

The interfund receivable in the Self Insurance –Workers’ Compensation Fund, which is due from all the funds listed above, except the Self Insurance – Health Fund, is a result of the liability from County Funds to the Self Insurance – Workers’ Compensation Fund for the administrative cost of the Bureau of Workers’ Compensation Retrospective Rating Plan.

Actual cash deficit balances in the Jail Operating Levy Fund, Permissive Sheriff Fund, and the Self Insurance – Health Fund were covered by cash from the general, mental health and mental retardation developmental disabilities major funds, other non major governmental funds and the Self Insurance – Workers’ Compensation Internal Service Fund.

The remaining interfund receivables/payables are due to lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Interfund transfers for the year ended December 31, 2005 consisted of the following:

<u>Transfer from</u>	Transfer to		Totals
	Jail Operating Levy	Other Nonmajor Governmental	
General Fund	\$848,408	\$1,132,828	\$1,981,236
MVGT Fund	0	452,195	452,195
MRDD Fund	0	200,000	200,000
Other Nonmajor Governmental	0	347,042	347,042
Total All Funds	\$848,408	\$2,132,065	\$2,980,473

The above mentioned Transfers From/To 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 come due, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 20 - JOINT VENTURE

Jefferson County Regional Planning Commission:

The County participates in the Jefferson County Regional Planning Commission which is a statutorily created (ORC section 713) political subdivision of the State. The Commission is jointly governed among Jefferson County and municipalities and townships within the County. The Commission includes the three Jefferson County Commissioners, fourteen municipality mayors, fourteen township trustees, and six non-governmental representatives appointed by the member governments. Each member's control over the operation of the commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environment, social, economic and governmental functions and services of the County as well as applies for Community Development Block Grants for the member governments. The Board exercises total control of the budgeting, appropriation, contracting and management. The County's contribution is a \$101,909 annual subsidy (approximately 57 percent of the annual revenues of the Commission). The remaining member governments contribute an annual fee that totals \$4,125 per year. The Commission applies for Community Development Block Grants on behalf of member governments and receives approximately \$64,500 per year in administrative fees. Continued existence of the Commission is dependent upon the County's continued participation; however, the County does not have an equity interest in the Commission. The Commission is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. The financial activity of the Commission is presented as an agency fund due to the County serving as fiscal agent. Complete financial statements can be obtained from the Jefferson County Regional Planning Commission, Steubenville, Ohio.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 21 - JOINTLY GOVERNED ORGANIZATIONS

A. Jefferson County Cluster

Jefferson County Cluster provides services to multi-need youth in Jefferson County. Members of the Cluster include the Jefferson County Alcohol, Drug Addiction, and Mental Health Services Board, the Jefferson Drug and Alcohol Councils, student services, Jefferson Juvenile District, the superintendent of public instruction, and the directors of youth services, human services, and mental retardation and developmental disabilities. The operation of the Cluster is controlled by an advisory committee which consists of a representative from each agency. The Cluster is not dependent upon Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Cluster. The County did not contribute to the Cluster in 2005.

B. East Ohio Correctional Facility:

The East Ohio Correctional Facility provides services to Carroll, Columbiana, Harrison and Jefferson Counties. The facility has a judicial correctional board of four, each participating County's Common Pleas Judge. Each member's control over the operation of the commission is limited to its representation on the board. The continued existence of the Facility is not dependent on Jefferson County, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Facility and the activity is presented on the financial statements as an agency fund. The County did not contribute financially to the facility in 2005.

C. Brooke, Hancock, Jefferson Regional Planning Commission BHJ:

BHJ is a separate and distinct political subdivision created pursuant to Ohio Revised Code section 713.30 and West Virginia Revised Code articles 8-25 and 8-26 to provide planning and administrative services to all local governments in a three county region comprised of Jefferson County and two counties in West Virginia. The governing board is comprised of 69 members which include 50 elected officials from the counties and municipalities as well as 19 appointed members from an array of private, public, and quasi-public entities. The Commission is not dependent upon Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Council. The County contributed \$31,774 to BHJ in 2005.

D. Southeast Ohio Juvenile Rehabilitation District (SOJRD):

The Southeast Ohio Juvenile Rehabilitation District is a jointly governed organization among Belmont, Harrison, Guernsey, Monroe, Jefferson, and Noble counties. SOJRD was formed to operate a regional juvenile rehabilitation facility for the use of member counties, and to house and treat adjudicated nonviolent felony offenders. The facility is operated and managed by SOJRD. The participating entities created a Judicial Rehabilitation Board the members of which are made-up of the juvenile judges of each participating county who determine the policy.

A Board of Trustees has been created whose members are appointed by the juvenile judges of which Belmont and Jefferson counties have three appointees, Guernsey County has two appointees, and Harrison, Monroe and Noble counties each have one appointee. The facility is located on property now owned by Belmont County. Policies, procedures and the operating budget are approved by the Judicial Rehabilitation Board. The Board is not dependent upon

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Board. The County did not contribute financially to the SOJRD in 2005.

E. Area Office on Aging:

The Area Office on Aging is a regional council of governments that assists nine counties, including Jefferson County, in providing services to senior citizens in the Council's service area. The Council is governed by a board of directors comprised of one representative appointed by each participating county. The board has total control over budgetary, personnel and all other financial matters. The Area Office on Aging receives Title III monies to be used for programs within the member counties. The continued existence of the Council is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the Council. The Council has no outstanding debt. The County did not contribute financially to the office in 2005.

F. Ohio Mid-Eastern Governments Association (OMEGA):

OMEGA is a ten-county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum, and Tuscarawas Counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application of 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 the cities within each county. City membership is voluntary.

The board has total control over budgeting, personnel, and financial matters. Each member currently pays a per capita membership fee based upon the most recent United States census. 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 financial responsibility for OMEGA. OMEGA has no outstanding debt. The County contributed \$7,380 to OMEGA in 2005.

G. Jefferson-Belmont Joint Solid Waste Authority:

The Jefferson-Belmont Joint Solid Waste Authority is a jointly governed organization between Jefferson and Belmont counties. The Authority, formed to provide solid waste services to the two participating counties, is governed by a fourteen member board of directors of which one commissioner from Jefferson County is a member. The Authority is not dependent on Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Authority. The County does not make any monetary contributions to the Authority. Jefferson County serves as fiscal agent for the District and the activity is presented on the financial statements as an agency fund. The County did not contribute financially to the authority in 2005.

H. Jefferson County Family and Children First Council:

The Jefferson County Family and Children First Council is a jointly governed organization created under the Ohio Revised Code Section 121.37. The Council is comprised of the following members: Director of the Board of Mental Health, Alcohol and Drug Addiction, Health Commissioner of the City of Steubenville, Health Commissioner of Jefferson County, Director of

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

the Jefferson County Department of Job and Family Services, Director of Children Services, Superintendent of Jefferson County Board of Mental Retardation and Developmental Disabilities, Juvenile Court Judge, Superintendent of the Steubenville City Board of Education, Superintendent of the Jefferson County Educational Service Center, Superintendent of Edison Local School District, Mayor of Steubenville, Chairman of the Board of County Commissioners, Director of the regional office of the Department of Youth Services, Director of the Community Action Council, a representative of Jefferson County Early Intervention Collaborative, a representative of the Jefferson County Behavioral Health System, a representative from the Jefferson County United Way, and a representative from the Family Services Association, three individuals representing the interests of families in Jefferson County, a representative from any public or private organization which formally attests to its support for the mission of the Council. The Council is governed currently by a 24 member Board. During 2005, the County made no contributions 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.

I. Belmont, Carroll, Harrison, and Jefferson Counties Council of Governments

The Belmont, Carroll, Harrison, and Jefferson Counties Council of Government was created to establish the operating and administrative procedures and to direct funding within the Workforce Investment Area as required by the Workforce Investment Act of 1998. The Council of Governments is comprised of four voting members, one designated from each County, each of whom shall be a duly elected County Commissioner, and may include ex-officio members, representatives from the Department of Job and Family Services of the member counties, and the Chairperson of the Workforce Investment Board.

During 2005, the County made no contributions to the Board.

NOTE 22 - RELATED ORGANIZATIONS

A. Jefferson Metropolitan Housing Authority

The Jefferson Metropolitan Housing Authority was established to provide adequate public housing for low income individuals and was created pursuant to Ohio Revised Code Section 3735.27. The Authority is operated by a five member board. Two members are appointed by the mayor of the largest city in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority. The County did not contribute financially to the authority in 2005.

B. Jefferson Community College

Jefferson Community College was established to provide educational programming and opportunities for individual growth and development that best serves the citizens and was created pursuant to Ohio Revised Code Section 3354. The College is operated by a nine member board. Six members are appointed by the County commissioners and three members are appointed by the Governor. The College receives funding from State appropriation, Federal grants and programs, student fees and other private sources. The board sets its own budget and selects its

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

own management, and the County is not involved in the management or operation. The County is not financially accountable for the College. The County did not contribute financially to the College in 2005.

NOTE 23 - PUBLIC ENTITY POOLS

A. *Insurance Purchasing Pool*

County Risk Sharing Authority (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 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 2005 was \$474,269.

B. *Claims Servicing Pool*

Ohio Mid-Eastern Educational Service Agency Self Insurance Plan (OME-RESA)

The County participates in the Ohio Mid-Eastern Educational Service Agency Self Insurance Plan, a claims servicing pool comprised of fifty members. Each participant is a member of the assembly. The plan's business and affairs are conducted by a nine member Board of Directors elected from the OME-RESA's general assembly. Each member pays a monthly premium based on their claims history and a monthly administration fee. All participating members retain their risk and the Plan acts as the claims servicing agent.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 24 - FOOD STAMPS

The County's Department of Human Services (Welfare) distributes, through a contracting issuance center, federal food stamps to entitled recipients within Jefferson County. The receipt and issuance of the stamps have the characteristics of a federal grant. However, the Department of Human 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.

NOTE 25 – CONTINGENCIES/SUBSEQUENT EVENTS

A. Primary Government

Grants - 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.

Litigation

Jail Construction - On July 23, 1997, the Jefferson County Commissioners filed a Third-Party Complaint against Mascaro Construction, Inc. and the V Group. On or about December 15, 1999, after a trial, a jury of the United States District Court for the Southern District of Ohio granted a verdict against Mascaro in the amount of One Million Seven Hundred Thousand Dollars (\$1,700,000) and against the V Group in the amount of approximately Thirteen Million Three Hundred Thousand Dollars (\$13,300,000).

The District Court reduced the verdict against Mascaro, and the parties settled that matter for approximately One Million Forty Nine Thousand Dollars (\$1,049,000). Mascaro paid that settlement to the County.

On January 7, 2000, the V Group filed a Chapter 11 Bankruptcy case in the United States Bankruptcy Court for the Northern District of Ohio. During the bankruptcy, the Jefferson County Commissioners have attempted to negotiate a resolution with the V Group. No agreement was reached. In May, 2002, the Commissioners joined with the Office of the United States Trustee to seek conversion of the Bankruptcy Chapter 11 reorganization to Chapter 7 liquidation, and on March 8, 2002, the Bankruptcy Court converted the V Group Bankruptcy to a liquidation bankruptcy under Chapter 7 of the Bankruptcy Code. On March 18, 2002, the V Group filed an appeal of the Bankruptcy Court's decision.

In addition to its actions against the V Group, the Commissioners brought an adversary action in the Bankruptcy Court against Continental Casualty Company, the errors and omissions carrier for the V Group. The Commissioners alleged that although Continental maintained and still maintains the V Group exhausted its policy limits in the defense of the underlying case, additional coverage remained. Continental and the Commissioners have reached a settlement in the amount of One Hundred Seventy-Two Thousand Six Hundred and Seventeen Dollars (\$172,617) to be paid by Continental to the County. The Bankruptcy Court approved the settlement on April 25, 2002. Continental paid this settlement amount to the County during 2002.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

On January 7, 2002, the Bankruptcy Court authorized the Jefferson County Commissioners to bring claims based on theories of fraudulent transfer, preference, and alter ego claims against the insiders of the V Group, entities related to or controlled by the insiders of the V Group, and others who assisted them with regard to such alleged transfers (the "Recovery Action"). In October, 2002, the Bankruptcy Court ordered all of the parties to the Recovery Action into a confidential mediation.

On September 5, 2003, the Chapter 7 Trustee (the "Trustee") filed a motion for Entry of an Order Approving Compromise of Claim and Terms of Settlement Agreement and Release (the "Settlement Motion"). After a hearing on January 14, 2004, the Bankruptcy Court approved a settlement of the Recovery Action upon the following terms:

1. The Parties to the Recovery Action (the "Parties") will obtain a final order from the Bankruptcy Court granting judgment in favor of the Trustee and against the probate estate of Paul V. Voinovich (the "Probate Estate") in the adversary proceeding in the amount of \$15,000,000 (the "Bankruptcy Claim");
2. The Parties will obtain a final order in the probate proceeding in Florida (the "Probate Proceeding") regarding the Probate Estate, which approves the withdrawal of the objection to the Bankruptcy Claim;
3. Upon the entry of these two orders, Christine Voinovich will pay \$500,000 to the Trustee and will guarantee a \$750,000 net recovery to the Trustee from the Probate Estate which is to be secured by a \$750,000 irrevocable standby letter of credit;
4. The Trustee will continue to assert the Bankruptcy Claim in the Probate Proceeding. If the net distribution on the Bankruptcy Claim totals \$750,000 or more, then Christine Voinovich is relieved from any further monetary obligation to the Trustee. If the net distribution on the Bankruptcy Claim is less than \$750,000, Christine Voinovich will pay the amount of the shortfall;
5. The Parties will dismiss, with prejudice, all claims made in the Recovery Action with the exception of the \$15,000,000 judgment against the Probate Estate and the parties will release all claims they may have against other parties (other than the claims the trustee may have to enforce the \$15,000,000 judgment against the probate estate and the trustee's claim in the probate proceeding);
6. Gateway Health Centers Limited Partnership and Gateway Manor Congregate Apartments Limited Partnership shall purchase the Probate Estate's interest in the partnerships for the net purchase price of \$1,640,000. Those proceeds will be distributed as follows: \$360,000 to Christine Voinovich and \$1,290,000 to the Probate Estate;
7. The Chapter 7 Trustee may request that the settlement be declared void with respect to any party that has intentionally, fraudulently, and materially failed to fully and accurately disclose reasonable available financial information required by the settlement.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

With regard to the ultimate resolution, the timing is unpredictable. The Probate Estate must be administered and distributed and the Bankruptcy Estate must also be administered and distributed.

City of Steubenville Water Payment – On May 10, 2005, the County received a favorable judgment against the City of Steubenville that had brought action against the County regarding payment for water supply. The settlement amount in favor of the County is in the amount of \$782,000. The judgment entry is a final order by the Court; however, it is subject to the City's right to appeal, and it is likely that the City will do so. The appeal process may be lengthy and in the interim the City has agreed to provide Jefferson County with water, without expectation of payment, for a period of three months, with such period extendable by mutual agreement. The value of said water supply will be credited against the amount owed by Steubenville to Jefferson County. During 2005 the amount of the credit against the judgment was approximately \$727,390.

Miscellaneous - In addition, the County is currently party to pending litigation. It is not possible at this time to make a judgment as to whether there is a reasonable possibility of an unfavorable outcome which could result in a material judgment against the County.

Long Term Notes Payable – On April 28, 2006 the County refinanced the Airpark Jet Fuel Tank revenue anticipation note with a twelve month revenue anticipation note in the amount of \$145,200, that matures on April 28, 2007. The County also refinanced the Airpark Runway Extension revenue anticipation note with a twelve month revenue anticipation note in the amount of \$186,389, that matures on April 28, 2007. These outstanding revenue anticipation notes are to be repaid through rental revenues and sale of fuel at the airpark.

Termination of Contract - Regional Council Participation – Effective July 1, 2004 the County finalized the termination of participation with the Mid Eastern Ohio Regional Council of Governments (MEORC), a regional council of governments created pursuant to Ohio Revised Code Chapter 167. The termination included the County's contract between the MR/DD board and MEORC for MEORC to provide supported living services and housing to eligible persons in the county. The County began administering these programs effective July 1, 2004, but as of the date of this financial report still has investments held by MEORC which the County will not receive until the investments mature late in 2005. These investments are reported as investments held with fiscal agents and are disclosed in Note 6 – Deposits and Investments.

NOTE 26 - RELATED PARTY TRANSACTIONS

During 2005, Jefferson County provided facilities, certain equipment, transportation and salaries for administration, implementation and supervision of its programs to JeffCo Workshop, a discretely presented component unit of Jefferson County. The Workshop reported \$30,941 for such contributions. JeffCo Workshop recorded operating revenues and operating expenses at cost or fair value as applicable, to the extent the contribution is related to the vocational purpose of JeffCo Workshop.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

NOTE 27 – COMPONENT UNIT JEFFCO WORKSHOP, INC.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Jeffco Workshop, Inc. was established as a nonprofit entity designed to provide a working atmosphere to handicapped adults in Jefferson County, Ohio. The workshop contracts with local companies and the general public to provide goods and services. This is the only program that the Jeffco Workshop, Inc. operates.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

Cash and Cash Equivalents

Cash and cash equivalents consist of all cash on hand and cash in banks – checking, savings and money markets.

Investments

Investments are carried on the books at original cost. All investments are purchased with the intent of being held to maturity. No investments are classified as available for sale or trading.

Inventory

The inventory is stated at historical cost.

Fixed Assets

Fixed assets acquired by Jeffco Workshop, Inc. are considered owned by Jeffco Workshop, Inc. However, state funding sources and the Jefferson County Commissioners may maintain equitable interest in the property purchased with grant monies or county monies, as well as, the right to determine the use of any proceeds from the sale of these assets.

Jeffco Workshop, Inc. follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the useful lives of the assets generally as follows:

Equipment and Furniture	5 – 7 years
Vehicles	5 years

The net fixed asset balance has been recorded as a separate component in unrestricted net assets.

Functional Expenses

The costs of providing the program and activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among cost of sales, materials and services, program services, and supporting services.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

Use of Estimates

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

Income Taxes

Jeffco Workshop, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provisions for federal income taxes in the accompanying financial statements. In addition, Jeffco Workshop, Inc. has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2005 or 2004 and Form 990 has been filed for the years ended December 31, 2005 and 2004.

In-kind Contribution

In-kind contributions of services and facilities were valued at \$30,941 and \$38,514 for the years ended December 31, 2005 and 2004, respectively. In-kind contributions were valued by using the worksheet developed by the Ohio Department of Mental Retardation and Developmental Disabilities. In-kind contributions to Jeffco Workshop, Inc. were the salaries paid to employees of Jeffco Workshop, Inc. by the Jefferson County Board of Mental Retardation and Developmental Disabilities, as well as, the use of the county board's workshop and training center facilities at no charge. These in-kind contributions are recorded both as a revenue and expense.

B. CASH ON HAND AND IN BANK

Cash on hand and in bank as of December 31, 2005 and 2004 consists of the following:

	December 31,			
	2005		2004	
	<u>Bank</u>	<u>Book</u>	<u>Bank</u>	<u>Book</u>
Sky Bank – regular checking	\$ 78,801	\$ 78,573	\$ 62,153	\$ 62,153
Sky Bank – consumer payroll	-	(1,550)	11,862	9,998
Sky Bank – Ohio Power payroll	-	(558)	8,089	7,710
Sky Bank – attendance incentive	-	(540)	2,061	1,406
Sky Bank – special fund checking	1,039	1,039	51,921	51,921
Sky Bank – special fund savings	20,230	20,230	-	-
Sky Bank – starr Ohio savings	79,717	79,717	91,200	91,200
Smith Barney – money market fund	2,027	2,027	2,021	2,021
Edward Jones – money market fund	<u>2,627</u>	<u>2,627</u>	<u>2,564</u>	<u>2,564</u>
Total cash in bank	184,441	181,565	231,871	228,973
Petty cash	<u>-</u>	<u>553</u>	<u>-</u>	<u>1,028</u>
Total cash on hand	<u>-</u>	<u>553</u>	<u>-</u>	<u>1,028</u>
Total cash on hand and in bank	<u>\$184,441</u>	<u>\$182,118</u>	<u>\$231,871</u>	<u>\$230,001</u>

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

C. INVESTMENTS

Following is a summary of the investments account at December 31, 2005 and 2004:

	<u>Rate</u>	<u>Maturity</u>	December 31,	
			<u>2005</u>	<u>2004</u>
Mutual Funds				
Smith Barney	Varies	-	\$ 53,012	\$ 51,004
Edward Jones	Varies	-	16,382	8,314
Certificates of Deposit:				
Parkvale Bank	2.30%	03-25-05	-	48,419
Sky Bank	2.00%	05-16-05	-	53,071
Wesbanco	2.43%	05-28-05	-	45,813
Sky Bank	2.23%	05-28-05	-	61,872
Sky Bank	2.25%	06-02-05	-	52,632
Sky Bank	2.30%	06-06-05	-	118,296
Sky Bank	2.75%	01-13-06	38,283	37,257
Sky Bank	3.25%	01-28-06	63,625	-
Sky Bank	3.25%	01-30-06	54,252	-
Sky Bank	3.25%	02-06-06	122,043	-
Wesbanco	3.50%	04-28-06	47,177	-
Parkvale Bank	2.58%	05-29-06	45,958	44,794
Sky Bank	3.75%	08-16-06	54,675	-
National City Bank	4.75%	05-04-07	49,894	-
National City Bank	4.75%	05-04-07	40,991	-
National City Bank	3.00%	07-13-07	68,101	66,117
Treasury Bank	3.10%	10-22-07	35,000	35,000
Bank One	4.50%	01-11-08	93,249	-
Wesbanco	2.97%	09-16-08	44,220	42,931
Bonds:				
Household Finance Corp.	4.60%	11-15-10	35,000	35,000
Caterpillar Financial Services	5.00%	11-15-12	35,000	35,000
Household Finance Corp.	5.35%	11-15-13	35,000	35,000
FHLMC	5.00%	11-15-29	<u>35,000</u>	<u>35,000</u>
			966,862	805,520
Less: current portion			<u>(495,407)</u>	<u>(439,421)</u>
			<u>\$471,455</u>	<u>\$366,099</u>

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

An analysis of unrealized gain (loss) at December 31, 2005 and 2004 is as follows:

Investment	December 31, 2005		
	Cost	Market	Unrealized Gain (Loss)
Mutual Fund – Smith Barney	\$ 53,012	\$ 51,755	\$ (1,257)
Mutual Fund – Edward Jones	16,382	16,481	99
Bond - Household Finance Corp. (11-15-10)	35,000	33,862	(1,138)
Bond - Caterpillar Financial (11-15-12)	35,000	33,731	(1,269)
Bond - Household Finance Corp. (11-15-13)	35,000	33,994	(1,006)
FHLMC	<u>35,000</u>	<u>33,950</u>	<u>(1,050)</u>
Total	<u>\$209,394</u>	<u>\$203,773</u>	<u>\$ (5,621)</u>

Investment	December 31, 2004		
	Cost	Market	Unrealized Gain (Loss)
Mutual Fund – Smith Barney	\$ 51,004	\$ 51,060	\$ 56
Mutual Fund – Edward Jones	8,314	8,379	65
Bond - Household Finance Corp. (11-15-10)	35,000	35,000	-
Bond - Caterpillar Financial (11-15-12)	35,000	33,906	(1,094)
Bond - Household Finance Corp. (11-15-13)	35,000	34,650	(350)
FHLMC	<u>35,000</u>	<u>34,300</u>	<u>(700)</u>
Total	<u>\$199,318</u>	<u>\$197,295</u>	<u>\$ (2,023)</u>

D. RELATED PARTY

The Organization is governed by the Jefferson County 169 Board, also known as the Jefferson County Board of Mental Retardation and Developmental Disabilities. Jeffco Workshop, Inc. is a separate nonprofit corporation established by the county to conduct those functions that the 169 Board is not entitled to conduct, primarily the overseeing of the subcontract bidding process, payment of wages to clients, and purchasing of supplies and equipment associated with the work programs. Jeffco Workshop, Inc. has a separate Board of Directors and has its own constitution and by-laws.

E. BUSINESS AND CREDIT CONCENTRATIONS

The workshop's customers are located in the Upper Ohio Valley Area. Five customers accounted for approximately \$335,730 (78%) of the gross revenues in 2005 and five customers accounted for approximately \$289,901 (84%) of the gross revenues in 2004. The organization also grants credit to their larger customers in the area and the credit risk depends upon the economic conditions in the local area.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2005

OFF-BALANCE-SHEET RISK

The organization invests its excess cash in interest bearing checking accounts, savings accounts, and certificate of deposits at local financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2005 and 2004 respectively, the total uninsured balance in these accounts was \$101,830 and \$336,070.

**Combining Statements
And
Individual Fund Schedules**

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Jefferson County, Ohio
Fund Descriptions –
Nonmajor Governmental Funds

NonMajor Special Revenue Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted to expenditures for specific purposes. The following is a description of the County's nonmajor special revenue funds:

Miscellaneous Local Fund – To account for monies received by the County for fees, licenses and permits, fines and forfeitures, and federal and state sources which are used to support various local programs.

Court/Corrections and Public Safety Fund – To account for monies received through court fees and property tax collections by the County which are used for court expenses, enforcing laws, housing and rehabilitation of offenders and other judicial and public safety programs and issues.

Emergency 911 Fund – To account for revenue derived from a County tax levy used for the implementation and operation of a 911 system.

Permissive Sheriff Fund – To account for permissive sales tax monies as well as transfers from the General Fund used for the operation of the Sheriff's department.

Tuberculosis/Crippled Child Levy Fund – To account for the balance of a previous county-wide property tax levy. The remaining balance may be expended for educational programs concerning the danger of tuberculosis and also for the needs of handicapped and crippled children.

Children Services Fund – To account for monies received from a county-wide property tax levy, Federal and State grants, support collections and Social Security. Major expenditures are for foster homes, emergency shelters, medical care, school supplies, counseling and parental training.

Community Development Block Grant Fund – To account for Federal grant monies used for the administration of a community development block grant program.

Federal Emergency Management Assistance Fund – To account for Federal grant monies used to assist local governments in disaster assistance.

Senior Citizens Levy Fund – To account for revenue derived from a County tax levy used to help senior citizens throughout the County.

(Continued)

Jefferson County, Ohio
Fund Descriptions –
Nonmajor Governmental Funds (Continued)

Nonmajor Debt Service Fund:

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal and interest and fiscal charges on general long-term obligations.

Nonmajor Capital Projects Fund:

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The following is a description of the County's capital projects funds:

Permanent Improvement Fund – To account for note and bond proceeds and transfers expended for the construction and repair/improvements of various County properties and facilities.

Voting Machines Fund – To account for Federal monies that were expended on the County's behalf to provide new voting machines.

Jefferson County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$3,053,036	\$1,766,626	\$2,011,546	\$6,831,208
Cash and Cash Equivalents in Segregated Accounts	498,891	0	0	498,891
Restricted Assets:				
Investments with Fiscal Agents	880,141	0	0	880,141
Investments with Fiscal Agents	0	87,489	0	87,489
Materials and Supplies Inventory	53,554	0	0	53,554
Receivables:				
Property Taxes	3,410,976	1,250,442	0	4,661,418
Permissive Sales Taxes	191,553	167,459	0	359,012
Accounts	10,335	0	0	10,335
Intergovernmental	2,486,602	59,057	0	2,545,659
Interfund	2,975,858	0	0	2,975,858
Prepaid Items	52,947	0	0	52,947
<i>Total Assets</i>	<u>\$13,613,893</u>	<u>\$3,331,073</u>	<u>\$2,011,546</u>	<u>\$18,956,512</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$198,191	\$0	\$46,315	\$244,506
Accrued Wages and Benefits	137,715	0	0	137,715
Contracts Payable	9,678	0	388,737	398,415
Interfund Payable	974,472	0	0	974,472
Intergovernmental Payable	70,547	0	0	70,547
Deferred Revenue	5,434,593	1,309,499	0	6,744,092
<i>Total Liabilities</i>	<u>6,825,196</u>	<u>1,309,499</u>	<u>435,052</u>	<u>8,569,747</u>
Fund Balances				
Reserved for Encumbrances	3,937	0	0	3,937
Reserved for Endowments	880,141	0	0	880,141
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	5,904,619	0	0	5,904,619
Debt Service Funds	0	2,021,574	0	2,021,574
Capital Projects Funds	0	0	1,576,494	1,576,494
<i>Total Fund Balances</i>	<u>6,788,697</u>	<u>2,021,574</u>	<u>1,576,494</u>	<u>10,386,765</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$13,613,893</u>	<u>\$3,331,073</u>	<u>\$2,011,546</u>	<u>\$18,956,512</u>

Jefferson County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2005

	Miscellaneous Local	Court/Corrections and Public Safety	Emergency 911	Permissive Sheriff
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,407,387	\$774,967	\$378,158	\$0
Cash and Cash Equivalents in Segregated Accounts	0	302,436	0	175,618
Restricted Assets:				
Investments with Fiscal Agents	0	0	0	0
Materials and Supplies Inventory	33,762	0	980	8,236
Receivables:				
Property Taxes	0	0	1,435,222	0
Permissive Sales Taxes	0	0	0	191,553
Accounts	10,335	0	0	0
Intergovernmental	73,004	491,444	176,839	13,378
Interfund	0	15,621	0	10,237
Prepaid Items	10,725	0	3,616	29,392
<i>Total Assets</i>	<u>\$1,535,213</u>	<u>\$1,584,468</u>	<u>\$1,994,815</u>	<u>\$428,414</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$20,146	\$39,324	\$1,264	\$26,975
Accrued Wages and Benefits	42,266	16,439	21,551	49,697
Contracts Payable	7,502	0	2,176	0
Interfund Payable	170,952	12,944	18,013	561,307
Intergovernmental Payable	19,411	8,009	8,135	30,298
Deferred Revenue	42,753	290,553	1,612,061	13,378
<i>Total Liabilities</i>	<u>303,030</u>	<u>367,269</u>	<u>1,663,200</u>	<u>681,655</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	1,080	0	2,390	0
Reserved for Endowments	0	0	0	0
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	1,231,103	1,217,199	329,225	(253,241)
<i>Total Fund Balances</i>	<u>1,232,183</u>	<u>1,217,199</u>	<u>331,615</u>	<u>(253,241)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,535,213</u>	<u>\$1,584,468</u>	<u>\$1,994,815</u>	<u>\$428,414</u>

Tuberculosis/ Crippled Child Levy	Children Services	Community Development Block Grant	Federal Emergency Management Assistance	Senior Citizens Levy	Total Nonmajor Special Revenue Funds
\$322,761	\$85,037	\$39,155	\$0	\$45,571	\$3,053,036
0	20,837	0	0	0	498,891
0	880,141	0	0	0	880,141
0	10,576	0	0	0	53,554
0	837,505	0	0	1,138,249	3,410,976
0	0	0	0	0	191,553
0	0	0	0	0	10,335
0	248,581	1,263,801	159,861	59,694	2,486,602
1,850,000	1,100,000	0	0	0	2,975,858
0	9,214	0	0	0	52,947
<u>\$2,172,761</u>	<u>\$3,191,891</u>	<u>\$1,302,956</u>	<u>\$159,861</u>	<u>\$1,243,514</u>	<u>\$13,613,893</u>
\$0	\$83,316	\$27,166	\$0	\$0	\$198,191
0	7,762	0	0	0	137,715
0	0	0	0	0	9,678
0	51,395	0	159,861	0	974,472
1,268	3,426	0	0	0	70,547
0	1,086,086	1,191,819	0	1,197,943	5,434,593
<u>1,268</u>	<u>1,231,985</u>	<u>1,218,985</u>	<u>159,861</u>	<u>1,197,943</u>	<u>6,825,196</u>
467	0	0	0	0	3,937
0	880,141	0	0	0	880,141
<u>2,171,026</u>	<u>1,079,765</u>	<u>83,971</u>	<u>0</u>	<u>45,571</u>	<u>5,904,619</u>
<u>2,171,493</u>	<u>1,959,906</u>	<u>83,971</u>	<u>0</u>	<u>45,571</u>	<u>6,788,697</u>
<u>\$2,172,761</u>	<u>\$3,191,891</u>	<u>\$1,302,956</u>	<u>\$159,861</u>	<u>\$1,243,514</u>	<u>\$13,613,893</u>

**Jefferson County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2005**

	Permanent Improvement Fund	Voting Machines	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$2,011,546	\$0	\$2,011,546
<i>Total Assets</i>	<u>\$2,011,546</u>	<u>\$0</u>	<u>\$2,011,546</u>
Liabilities			
Accounts Payable	\$46,315	\$0	\$46,315
Contracts Payable	388,737	0	388,737
<i>Total Liabilities</i>	<u>435,052</u>	<u>0</u>	<u>435,052</u>
Fund Balances			
Unreserved, Undesignated: Capital Projects Funds	1,576,494	0	1,576,494
<i>Total Fund Balances</i>	<u>1,576,494</u>	<u>0</u>	<u>1,576,494</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,011,546</u>	<u>\$0</u>	<u>\$2,011,546</u>

Jefferson County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2005

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$3,200,869	\$1,125,684	\$0	\$4,326,553
Permissive Sales Taxes	1,244,595	1,107,087	0	2,351,682
Charges for Services	1,893,921	0	0	1,893,921
Licenses and Permits	361,270	0	0	361,270
Fines and Forfeitures	321,555	0	0	321,555
Intergovernmental	7,686,483	136,427	772,694	8,595,604
Interest	36,715	0	0	36,715
Rent	49,342	323,704	0	373,046
Other	112,939	0	19,108	132,047
<i>Total Revenues</i>	<u>14,907,689</u>	<u>2,692,902</u>	<u>791,802</u>	<u>18,392,393</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,611,896	0	0	1,611,896
Judicial	179,487	0	0	179,487
Public Safety	5,715,447	0	0	5,715,447
Public Works	1,107,226	0	0	1,107,226
Health	317,984	0	0	317,984
Human Services	5,256,203	0	0	5,256,203
Economic Development and Assistance	1,032,238	0	0	1,032,238
Capital Outlay	41,282	0	1,530,867	1,572,149
Debt Service:				
Principal Retirement	51,409	1,988,643	0	2,040,052
Interest and Fiscal Charges	1,637	1,381,586	0	1,383,223
<i>Total Expenditures</i>	<u>15,314,809</u>	<u>3,370,229</u>	<u>1,530,867</u>	<u>20,215,905</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(407,120)</u>	<u>(677,327)</u>	<u>(739,065)</u>	<u>(1,823,512)</u>
Other Financing Sources (Uses):				
Transfers In	1,076,104	855,961	200,000	2,132,065
Revenue Anticipation Notes Issued	170,264	31,736	1,500,000	1,702,000
Inception of Capital Lease	41,282	0	0	41,282
Transfers Out	(347,042)	0	0	(347,042)
<i>Total Other Financing Sources</i>	<u>940,608</u>	<u>887,697</u>	<u>1,700,000</u>	<u>3,528,305</u>
<i>Net Change in Fund Balances</i>	533,488	210,370	960,935	1,704,793
<i>Fund Balances at Beginning of Year</i>	<u>6,255,209</u>	<u>1,811,204</u>	<u>615,559</u>	<u>8,681,972</u>
<i>Fund Balances at End of Year</i>	<u><u>\$6,788,697</u></u>	<u><u>\$2,021,574</u></u>	<u><u>\$1,576,494</u></u>	<u><u>\$10,386,765</u></u>

Jefferson County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2005

	Miscellaneous Local	Court/Corrections and Public Safety	Emergency 911	Permissive Sheriff
Revenues				
Property Taxes	\$0	\$0	\$1,277,741	\$0
Permissive Sales Taxes	0	0	0	1,244,595
Charges for Services	1,306,293	156,004	0	277,830
Licenses and Permits	351,670	9,600	0	0
Fines and Forfeitures	11,237	310,318	0	0
Intergovernmental	1,655,142	1,654,746	339,865	185,004
Interest	690	0	0	0
Rent	24,382	0	24,960	0
Other	59,551	0	0	44,429
<i>Total Revenues</i>	<u>3,408,965</u>	<u>2,130,668</u>	<u>1,642,566</u>	<u>1,751,858</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,611,896	0	0	0
Judicial	0	179,487	0	0
Public Safety	0	1,814,688	1,360,835	2,539,924
Public Works	264,556	0	0	0
Health	117,370	0	0	0
Human Services	1,390,563	0	0	0
Economic Development and Assistance	584,483	0	0	0
Capital Outlay	0	0	0	41,282
Debt Service:				
Principal Retirement	0	12,962	9,817	28,630
Interest and Fiscal Charges	0	806	0	831
<i>Total Expenditures</i>	<u>3,968,868</u>	<u>2,007,943</u>	<u>1,370,652</u>	<u>2,610,667</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(559,903)</u>	<u>122,725</u>	<u>271,914</u>	<u>(858,809)</u>
Other Financing Sources (Uses):				
Transfers In	171,100	33,012	0	871,992
Revenue Anticipation Notes Issued	170,264	0	0	0
Inception of Capital Lease	0	0	0	41,282
Transfers Out	0	0	(326,738)	(20,304)
<i>Total Other Financing Sources (Uses)</i>	<u>341,364</u>	<u>33,012</u>	<u>(326,738)</u>	<u>892,970</u>
<i>Net Change in Fund Balances</i>	(218,539)	155,737	(54,824)	34,161
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,450,722</u>	<u>1,061,462</u>	<u>386,439</u>	<u>(287,402)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,232,183</u>	<u>\$1,217,199</u>	<u>\$331,615</u>	<u>(\$253,241)</u>

Tuberculosis/ Crippled Child Levy	Children Services	Community Development Block Grant	Federal Emergency Management Assistance	Senior Citizens Levy	Total Nonmajor Special Revenue Funds
\$1,052	\$801,289	\$0	\$0	\$1,120,787	\$3,200,869
0	0	0	0	0	1,244,595
0	153,794	0	0	0	1,893,921
0	0	0	0	0	361,270
0	0	0	0	0	321,555
67,555	2,449,615	491,886	842,670	0	7,686,483
0	36,025	0	0	0	36,715
0	0	0	0	0	49,342
0	7,884	1,075	0	0	112,939
<u>68,607</u>	<u>3,448,607</u>	<u>492,961</u>	<u>842,670</u>	<u>1,120,787</u>	<u>14,907,689</u>
0	0	0	0	0	1,611,896
0	0	0	0	0	179,487
0	0	0	0	0	5,715,447
0	0	0	842,670	0	1,107,226
200,614	0	0	0	0	317,984
0	2,751,154	0	0	1,114,486	5,256,203
0	0	447,755	0	0	1,032,238
0	0	0	0	0	41,282
0	0	0	0	0	51,409
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,637</u>
<u>200,614</u>	<u>2,751,154</u>	<u>447,755</u>	<u>842,670</u>	<u>1,114,486</u>	<u>15,314,809</u>
<u>(132,007)</u>	<u>697,453</u>	<u>45,206</u>	<u>0</u>	<u>6,301</u>	<u>(407,120)</u>
0	0	0	0	0	1,076,104
0	0	0	0	0	170,264
0	0	0	0	0	41,282
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(347,042)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>940,608</u>
(132,007)	697,453	45,206	0	6,301	533,488
<u>2,303,500</u>	<u>1,262,453</u>	<u>38,765</u>	<u>0</u>	<u>39,270</u>	<u>6,255,209</u>
<u>\$2,171,493</u>	<u>\$1,959,906</u>	<u>\$83,971</u>	<u>\$0</u>	<u>\$45,571</u>	<u>\$6,788,697</u>

Jefferson County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2005

	Permanent Improvement Fund	Voting Machines	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	\$52,004	\$720,690	\$772,694
Other	19,108	0	19,108
<i>Total Revenues</i>	<u>71,112</u>	<u>720,690</u>	<u>791,802</u>
Expenditures			
Capital Outlay	810,177	720,690	\$1,530,867
<i>Excess of Revenues Under Expenditures</i>	<u>(739,065)</u>	<u>0</u>	<u>(739,065)</u>
Other Financing Sources:			
Transfers In	200,000	0	200,000
Revenue Anticipation Notes Issued	1,500,000	0	1,500,000
Total Other Financing Sources	<u>1,700,000</u>	<u>0</u>	<u>1,700,000</u>
<i>Net Change in Fund Balances</i>	960,935	0	960,935
<i>Fund Balances at Beginning of Year</i>	<u>615,559</u>	<u>0</u>	<u>615,559</u>
<i>Fund Balances at End of Year</i>	<u><u>\$1,576,494</u></u>	<u><u>\$0</u></u>	<u><u>\$1,576,494</u></u>

Jefferson County, Ohio
Fund Descriptions –
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 following is a description of the County's agency funds:

Self Insurance - Health Fund – To account for the operation of the County's self insurance program for employee health benefits and prescription drugs.

Self Insurance – Workers' Compensation Fund – To account for the County's workers' compensation program through a retrospective rating plan.

Jefferson County, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2005

	Self Insurance Health	Self Insurance Workers' Compensation	Total Internal Service Funds
Assets			
Current Assets:			
Cash and Cash Equivalents with Fiscal Agents	\$3,996,269	\$0	\$3,996,269
Receivables:			
Accounts	487,112	0	487,112
Interfund	0	6,076,806	6,076,806
<i>Total Current Assets</i>	4,483,381	6,076,806	10,560,187
<i>Total Assets</i>	4,483,381	6,076,806	10,560,187
Liabilities			
Current Liabilities:			
Interfund Payable	9,080,987	0	9,080,987
Intergovernmental Payable	0	410,726	410,726
Claims Payable - Health Benefits	933,231	0	933,231
Claims Payable - Workers' Compensation	0	291,675	291,675
<i>Total Current Liabilities</i>	10,014,218	702,401	10,716,619
Long-Term Liabilities (Net of Current Portion):			
Claims Payable - Workers' Compensation	0	2,168,037	2,168,037
<i>Total Liabilities</i>	10,014,218	2,870,438	12,884,656
Net Assets			
Unrestricted (Deficit)	(5,530,837)	3,206,368	(2,324,469)
<i>Total Net Assets (Deficit)</i>	(\$5,530,837)	\$3,206,368	(\$2,324,469)

Jefferson County, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2005

	Self Insurance Health	Self Insurance Workers' Compensation	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$7,523,990	\$1,171,089	\$8,695,079
<i>Total Operating Revenues</i>	<u>7,523,990</u>	<u>1,171,089</u>	<u>8,695,079</u>
Operating Expenses			
Contractual Services	1,284,889	302,870	1,587,759
Claims	3,980,299	410,070	4,390,369
<i>Total Operating Expenses</i>	<u>5,265,188</u>	<u>712,940</u>	<u>5,978,128</u>
<i>Operating Income</i>	2,258,802	458,149	2,716,951
Non-Operating Revenues			
Interest	63,121	0	63,121
Other Non-Operating Revenues	0	11,072	11,072
<i>Change in Net Assets</i>	2,321,923	469,221	2,791,144
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(7,852,760)</u>	<u>2,737,147</u>	<u>(5,115,613)</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$5,530,837)</u></u>	<u><u>\$3,206,368</u></u>	<u><u>(\$2,324,469)</u></u>

Jefferson County, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2005

	Self Insurance Health	Self Insurance Workers' Compensation	Total
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers	\$7,523,990	\$1,171,089	\$8,695,079
Cash Payments for Goods and Services	(1,284,889)	(240,471)	(1,525,360)
Cash Payments for Claims	(6,288,880)	(348,995)	(6,637,875)
Other Operating Revenues	2,085,545	0	2,085,545
Other Non-Operating Revenues	0	11,072	11,072
<i>Net Cash Provided by Operating Activities</i>	<u>2,035,766</u>	<u>592,695</u>	<u>2,628,461</u>
Cash Flows from Noncapital Financing Activities			
Interfund Loan	(799,532)	(593,654)	(1,393,186)
<i>Net Cash Used in Noncapital Financing Activities</i>	<u>(799,532)</u>	<u>(593,654)</u>	<u>(1,393,186)</u>
Cash Flows from Investing Activities			
Interest on Investments	63,121	0	63,121
<i>Net Cash Provided by Investing Activities</i>	<u>63,121</u>	<u>0</u>	<u>63,121</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,299,355	(959)	1,298,396
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,696,914</u>	<u>959</u>	<u>2,697,873</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$3,996,269</u></u>	<u><u>\$0</u></u>	<u><u>\$3,996,269</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$2,258,802	\$458,149	\$2,716,951
Adjustments:			
Non-Operating Revenues	0	11,072	11,072
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(66,355)	0	(66,355)
Increase (Decrease) in Claims Payable	(156,681)	61,075	(95,606)
Increase in Intergovernmental Payable	0	62,399	62,399
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$2,035,766</u></u>	<u><u>\$592,695</u></u>	<u><u>\$2,628,461</u></u>

Jefferson County, Ohio
Fund Descriptions –
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:

Board of Health Fund – To account for Federal and State grants, licenses and fees expended for the operation of the County's Board of Health.

East Ohio Correctional Center Fund – To account for Federal and State grants to be expended for establishing, equipping, furnishing, operating, and maintaining a multi-county minimum security correctional center.

Jefferson/Belmont Joint Solid Waste District Fund – To account for user charges to be expended for the operation of a multi-county solid waste transfer station.

Taxes Agency Fund – To account for the collection and distribution of various taxes.

Undivided State Monies - To account for the collection and distribution of local government, local government assistance, and motor vehicle license monies.

Corporation/Subdivision Fund – To account for tax settlement distributions to subdivisions within Jefferson County.

Miscellaneous Court/Safety Fund – To account for various fees and contributions to be used in connection with various court and public safety uses.

Family and Children First Council Fund – To account for State grant revenues and expenditures of the Jefferson County Family and Children First Council.

Other Agency Fund – To account for assets held by the County in a trustee capacity, or as an agent for individuals, private organizations, other governments, and/or other funds. The following funds are included:

- Ohio Election Commission Fund
- Soil and Water Conservation Fund
- Housing and Trust Fund
- Regional Planning Commission Fund
- Ohio Port Assistance Program Fund
- Local Emergency Planning Commission Fund
- Emergency Management Agency Fund
- North Ohio Valley Air Authority Fund
- Carnegie Library Fund
- State of Ohio Fund
- Law Library Fund
- Payroll Clearing Fund

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
<i>Board of Health:</i>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$304,574	\$1,240,797	\$1,350,162	\$195,209
Total Assets	<u>\$304,574</u>	<u>\$1,240,797</u>	<u>\$1,350,162</u>	<u>\$195,209</u>
<u>Liabilities:</u>				
Undistributed Monies	\$304,574	\$1,240,797	\$1,350,162	\$195,209
Total Liabilities	<u>\$304,574</u>	<u>\$1,240,797</u>	<u>\$1,350,162</u>	<u>\$195,209</u>
<i>East Ohio Correctional Center (EOCC):</i>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$170,395	\$3,256,017	\$3,247,802	\$178,610
Total Assets	<u>\$170,395</u>	<u>\$3,256,017</u>	<u>\$3,247,802</u>	<u>\$178,610</u>
<u>Liabilities:</u>				
Undistributed Monies	\$170,395	\$3,256,017	\$3,247,802	\$178,610
Total Liabilities	<u>\$170,395</u>	<u>\$3,256,017</u>	<u>\$3,247,802</u>	<u>\$178,610</u>
<i>Jefferson/Belmont Joint Solid Waste District:</i>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$289,582	\$421,168	\$537,938	\$172,812
Total Assets	<u>\$289,582</u>	<u>\$421,168</u>	<u>\$537,938</u>	<u>\$172,812</u>
<u>Liabilities:</u>				
Undistributed Monies	\$289,582	\$421,168	\$537,938	\$172,812
Total Liabilities	<u>\$289,582</u>	<u>\$421,168</u>	<u>\$537,938</u>	<u>\$172,812</u>

(Continued)

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
<i>Taxes Agency:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$1,236,849	\$45,744,317	\$45,543,010	\$1,438,156
Receivables:				
Property Taxes	43,867,559	42,310,195	43,867,559	42,310,195
Accounts	507,101	439,158	507,101	439,158
Special Assessments	260,082	416,987	260,082	416,987
Intergovernmental	1,159,141	1,566,020	1,159,141	1,566,020
Total Assets	<u>\$47,030,732</u>	<u>\$90,476,677</u>	<u>\$91,336,893</u>	<u>\$46,170,516</u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$45,793,883	\$88,910,657	\$90,177,752	\$44,526,788
Undistributed Monies	1,236,849	1,566,020	1,159,141	1,643,728
Total Liabilities	<u>\$47,030,732</u>	<u>\$90,476,677</u>	<u>\$91,336,893</u>	<u>\$46,170,516</u>
<i>Undivided State Monies:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$0	\$3,117,719	\$3,117,719	\$0
Receivables:				
Intergovernmental	1,774,550	1,684,092	1,774,550	1,684,092
Total Assets	<u>\$1,774,550</u>	<u>\$4,801,811</u>	<u>\$4,892,269</u>	<u>\$1,684,092</u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$1,774,550	\$1,684,092	\$1,774,550	\$1,684,092
Undistributed Monies	0	3,117,719	3,117,719	0
Total Liabilities	<u>\$1,774,550</u>	<u>\$4,801,811</u>	<u>\$4,892,269</u>	<u>\$1,684,092</u>
<i>Corporation/Subdivision:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$0	\$36,261,001	\$36,261,001	\$0
Total Assets	<u>\$0</u>	<u>\$36,261,001</u>	<u>\$36,261,001</u>	<u>\$0</u>
<u>Liabilities:</u>				
Undistributed Monies	\$0	\$36,261,001	\$36,261,001	\$0
Total Liabilities	<u>\$0</u>	<u>\$36,261,001</u>	<u>\$36,261,001</u>	<u>\$0</u>

(Continued)

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
<i>Miscellaneous Court/Safety:</i>				
<i>Assets:</i>				
Cash and				
Cash Equivalents	\$2,976	\$10,595,940	\$10,595,957	\$2,959
Cash and				
Cash Equivalents in				
Segregated Accounts	322,926	0	322,926	0
Accounts Receivable	602,270	623,821	602,270	623,821
Total Assets	\$928,172	\$11,219,761	\$11,521,153	\$626,780
<i>Liabilities:</i>				
Intergovernmental Payable	\$373,822	\$387,199	\$373,822	\$387,199
Undistributed Monies	554,350	10,832,562	11,147,331	239,581
Total Liabilities	\$928,172	\$11,219,761	\$11,521,153	\$626,780
 <i>Family and Children First Council:</i>				
<i>Assets:</i>				
Cash and				
Cash Equivalents	\$23,720	\$445,899	\$418,062	\$51,557
Total Assets	\$23,720	\$445,899	\$418,062	\$51,557
<i>Liabilities:</i>				
Undistributed Monies	\$23,720	\$445,899	\$418,062	\$51,557
Total Liabilities	\$23,720	\$445,899	\$418,062	\$51,557
 <i>Other Agency:</i>				
<i>Assets:</i>				
Cash and				
Cash Equivalents	\$697,826	\$4,535,090	\$4,572,372	\$660,544
Receivables:				
Intergovernmental	1,616,219	1,621,603	1,616,219	1,621,603
Total Assets	\$2,314,045	\$6,156,693	\$6,188,591	\$2,282,147
<i>Liabilities:</i>				
Intergovernmental Payable	\$1,616,219	\$1,621,603	\$1,616,219	\$1,621,603
Undistributed Monies	697,826	4,535,090	4,572,372	660,544
Total Liabilities	\$2,314,045	\$6,156,693	\$6,188,591	\$2,282,147

(Continued)

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2005

	<u>Balance 12/31/04</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/05</u>
<i>Total - All Agency Funds:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$2,725,922	\$105,617,948	\$105,644,023	\$2,699,847
Cash and				
Cash Equivalents in				
Segregated Accounts	322,926	0	322,926	0
Receivables:				
Property Taxes	43,867,559	42,310,195	43,867,559	42,310,195
Accounts	1,109,371	1,062,979	1,109,371	1,062,979
Special Assessments	260,082	416,987	260,082	416,987
Intergovernmental	4,549,910	4,871,715	4,549,910	4,871,715
Total Assets	<u>\$52,835,770</u>	<u>\$154,279,824</u>	<u>\$155,753,871</u>	<u>\$51,361,723</u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$49,558,474	\$92,603,551	\$93,942,343	\$48,219,682
Undistributed Monies	3,277,296	61,676,273	61,811,528	3,142,041
Total Liabilities	<u>\$52,835,770</u>	<u>\$154,279,824</u>	<u>\$155,753,871</u>	<u>\$51,361,723</u>

**Individual Fund Schedules of Revenues,
Expenditures/Expenses and Changes in Fund
Balance/Equity – Budget (Non-GAAP Basis)
and Actual**

Jefferson 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, 2005

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$1,878,689	\$1,878,689	\$0
Permissive Sales Taxes	4,372,807	4,372,807	0
Charges for Services	2,288,183	2,288,183	0
Licenses and Permits	4,796	4,796	0
Fines and Forfeitures	339,806	339,806	0
Intergovernmental	2,864,540	2,864,540	0
Interest	407,972	407,972	0
Other	85,118	85,118	0
Total Revenues	12,241,911	12,241,911	0
<u>Expenditures:</u>			
Current:			
General Government -			
Legislative and Executive			
Commissioners			
Salary and Wages	249,875	249,875	0
Fringe Benefits	84,537	84,537	0
Materials and Supplies	2,194	2,194	0
Other	12,642	12,642	0
Total Commissioners	349,248	349,248	0
Auditor			
Salary and Wages	327,541	327,541	0
Fringe Benefits	123,139	123,139	0
Materials and Supplies	9,924	9,924	0
Contractual Services	5,686	5,686	0
Other	5,218	5,218	0
Total Auditor	471,508	471,508	0
Permissive Sales Tax			
Capital Outlay	295,847	295,847	0
Other	379,806	379,781	25
Total Permissive Sales Tax	675,653	675,628	25
Treasurer			
Salary and Wages	131,538	131,538	0
Fringe Benefits	73,052	73,052	0
Materials and Supplies	14,250	14,179	71
Contractual Services	10,671	10,671	0
Other	1,976	1,976	0
Total Treasurer	231,487	231,416	71

(Continued)

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Prosecuting Attorney			
Salary and Wages	\$483,721	\$483,721	\$0
Fringe Benefits	208,596	208,596	0
Materials and Supplies	3,796	3,796	0
Contractual Services	2,239	2,239	0
Other	61,992	61,992	0
	<u>760,344</u>	<u>760,344</u>	<u>0</u>
Total Prosecuting Attorney			
Budget Commission			
Other	364	364	0
	<u>364</u>	<u>364</u>	<u>0</u>
Bureau of Inspection			
Examinations - County Offices	100,742	100,742	0
	<u>100,742</u>	<u>100,742</u>	<u>0</u>
County Planning Commission			
Contractual Services	70,000	70,000	0
Other	39,154	39,154	0
	<u>109,154</u>	<u>109,154</u>	<u>0</u>
Total County Planning Commission			
Data Processing			
Salary and Wages	202,827	202,827	0
Fringe Benefits	115,307	115,307	0
Materials and Supplies	2,011	2,011	0
	<u>320,145</u>	<u>320,145</u>	<u>0</u>
Total Data Processing			
Data Processing Central Purchasing			
Other	54,152	54,152	0
	<u>54,152</u>	<u>54,152</u>	<u>0</u>
Board of Elections			
Salary and Wages	266,883	266,883	0
Fringe Benefits	127,601	127,601	0
Materials and Supplies	46,440	46,440	0
Contractual Services	135,633	135,633	0
Capital Outlay	13,397	13,397	0
Other	8,325	8,325	0
	<u>598,279</u>	<u>598,279</u>	<u>0</u>
Total Board of Elections			
Recorder			
Salary and Wages	143,016	143,016	0
Fringe Benefits	90,328	90,328	0
Other	2,665	2,665	0
	<u>236,009</u>	<u>236,009</u>	<u>0</u>
Total Recorder			

(Continued)

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Buildings and Grounds			
Salary and Wages	\$166,033	\$166,033	\$0
Fringe Benefits	106,463	106,463	0
Materials and Supplies	10,614	10,614	0
Contractual Services	300,509	300,509	0
Other	93,714	93,714	0
	<u>677,333</u>	<u>677,333</u>	<u>0</u>
Insurance			
Worker's Compensation	814	814	0
Official Bonds	9,438	9,438	0
Group and Liability	112,517	112,517	0
	<u>122,769</u>	<u>122,769</u>	<u>0</u>
Total General Government - Legislative and Executive	<u>4,707,187</u>	<u>4,707,091</u>	<u>96</u>
General Government - Judicial			
Court of Appeals			
Other	39,435	39,435	0
Common Pleas			
Salaries and Wages	249,035	249,035	0
Fringe Benefits	96,774	96,774	0
Materials and Supplies	25,422	25,422	0
Contractual Services	195,789	195,789	0
Other	8,251	8,251	0
	<u>575,271</u>	<u>575,271</u>	<u>0</u>
Adult Probation			
Salary and Wages	100,899	100,899	0
Fringe Benefits	57,764	57,764	0
Materials and Supplies	132	132	0
Contractual Services	6,532	6,532	0
	<u>165,327</u>	<u>165,327</u>	<u>0</u>
Capital Felony			
Contractual Services	177,245	177,245	0
Juvenile Court			
Salary and Wages	303,249	303,249	0
Fringe Benefits	235,888	235,888	0
Materials and Supplies	24,141	24,141	0
Contractual Services	192,313	192,313	0
Other	82,028	82,028	0
	<u>837,619</u>	<u>837,619</u>	<u>0</u>

(Continued)

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
County Court #2			
Salary and Wages	\$87,692	\$87,692	\$0
Fringe Benefits	54,263	54,263	0
Materials and Supplies	4,318	4,318	0
Contractual Services	28,250	28,250	0
Other	811	811	0
	<u>175,334</u>	<u>175,334</u>	<u>0</u>
Total County Court #2			
County Court #3			
Salary and Wages	92,570	92,570	0
Fringe Benefits	41,899	41,899	0
Materials and Supplies	2,680	2,680	0
Contractual Services	26,374	26,374	0
Other	850	850	0
	<u>164,373</u>	<u>164,373</u>	<u>0</u>
Total County Court #3			
Probate Court			
Salary and Wages	199,666	199,666	0
Fringe Benefits	101,648	101,648	0
Materials and Supplies	4,625	4,625	0
Other	2,768	2,768	0
	<u>308,707</u>	<u>308,707</u>	<u>0</u>
Total Probate Court			
Clerk of Courts			
Salary and Wages	218,022	218,022	0
Fringe Benefits	124,134	124,134	0
Materials and Supplies	5,104	5,104	0
Contractual Services	3,392	3,392	0
	<u>350,652</u>	<u>350,652</u>	<u>0</u>
Total Clerk of Courts			
County Court			
Salary and Wages	93,827	93,827	0
Fringe Benefits	55,411	55,411	0
Materials and Supplies	3,945	3,945	0
Contractual Services	40,594	40,594	0
Other	101	101	0
	<u>193,878</u>	<u>193,878</u>	<u>0</u>
Total County Court			

(Continued)

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Municipal Court			
Salary and Wages	\$78,994	\$78,994	\$0
Fringe Benefits	12,775	12,775	0
Contractual Services	<u>58,601</u>	<u>58,601</u>	<u>0</u>
Total Municipal Court	<u>150,370</u>	<u>150,370</u>	<u>0</u>
Law Library			
Salary and Wages	27,226	27,226	0
Fringe Benefits	<u>17,673</u>	<u>17,673</u>	<u>0</u>
Total Law Library	<u>44,899</u>	<u>44,899</u>	<u>0</u>
Court Magistrate			
Salary and Wages	114,149	114,149	0
Fringe Benefits	58,876	58,876	0
Materials and Supplies	2,329	2,329	0
Contractual Services	13,604	13,604	0
Capital Outlay	1,552	1,552	0
Other	<u>7,020</u>	<u>7,020</u>	<u>0</u>
Total Court Magistrate	<u>197,530</u>	<u>197,530</u>	<u>0</u>
Total General Government - Judicial	<u>3,380,640</u>	<u>3,380,640</u>	<u>0</u>
Public Safety			
Coroner			
Salary and Wages	74,769	74,769	0
Fringe Benefits	38,413	38,413	0
Contractual Services	<u>12,568</u>	<u>12,568</u>	<u>0</u>
Total Coroner	<u>125,750</u>	<u>125,750</u>	<u>0</u>
Disaster Services			
Contractual Services	<u>43,809</u>	<u>43,809</u>	<u>0</u>
Total Public Safety	<u>169,559</u>	<u>169,559</u>	<u>0</u>

(Continued)

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Health			
Humane Society			
Other	\$300	\$300	\$0
Agriculture			
Grant	231,600	231,600	
Apiary Inspection	641	641	0
Total Agriculture	232,241	232,241	0
Vital Statistics			
Fees	2,603	2,603	0
Total Health	235,144	235,144	0
Human Services			
Veteran's Services			
Salary and Wages	137,418	137,418	0
Fringe Benefits	64,564	64,564	0
Materials and Supplies	18,712	18,712	0
Contractual Services	26,665	25,915	750
Other	193,744	193,744	0
Total Veteran's Services	441,103	440,353	750
Public Assistance			
Contractual Services	557,938	557,938	0
Total Human Services	999,041	998,291	750
Other			
County Shared Utilities			
Contractual Services	169,335	169,335	0
County Shared Utilities	169,335	169,335	0
Unclaimed Monies			
Other	13,393	13,393	0
Delinquent Land Sale-Unclaimed			
Other	8,412	8,412	0
Indigent Application Fees			
Fees	120	120	0

(Continued)

Jefferson 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, 2005

	Final Budget	Actual	Variance Positive (Negative)
Other			
Materials and Supplies	\$19,049	\$19,049	\$0
Other	38,509	38,509	0
Total Other	57,558	57,558	0
Total Other	248,818	248,818	0
Intergovernmental			
Grants			
Contractual Services	82,500	82,500	0
Total Expenditures	9,822,889	9,822,043	846
Excess of Revenues Over Expenditures	2,419,022	2,419,868	846
<u>Other Financing Use:</u>			
Transfers Out	(1,981,236)	(1,981,236)	0
Total Other Financing Use	(1,981,236)	(1,981,236)	0
Net Change in Fund Balance	437,786	438,632	846
Fund Balance at Beginning of Year	1,133,023	1,133,023	0
Prior Year Encumbrances Appropriated	16,864	16,864	0
Fund Balance at End of Year	\$1,587,673	\$1,588,519	\$846

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$9,257,887	\$10,242,596	\$984,709
Charges for Services	758,464	758,464	0
Other	660,838	660,838	0
Total Revenues	<u>10,677,189</u>	<u>11,661,898</u>	<u>984,709</u>
<u>Expenditures:</u>			
Current:			
Human Services			
Public Assistance			
Salary and Wages	3,307,330	3,307,330	0
Fringe Benefits	1,772,874	1,772,874	0
Materials and Supplies	499,635	499,635	0
Contractual Services	5,089,613	6,074,322	(984,709)
Capital Outlay	348,976	348,976	0
Other	250,488	250,488	0
Total Expenditures	<u>11,268,916</u>	<u>12,253,625</u>	<u>(984,709)</u>
Net Change in Fund Balance	(591,727)	(591,727)	0
Fund Balance at Beginning of Year	<u>858,599</u>	<u>858,599</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$266,872</u></u>	<u><u>\$266,872</u></u>	<u><u>\$0</u></u>

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Permissive Sales Taxes	\$2,623,562	\$2,623,562	\$0
Charges for Services	158,899	158,899	0
Fines and Forfeitures	43,460	43,460	0
Intergovernmental	4,264,339	5,527,426	1,263,087
Interest	4,393	4,393	0
Other	11,290	11,290	0
Total Revenues	<u>7,105,943</u>	<u>8,369,030</u>	<u>1,263,087</u>
<u>Expenditures:</u>			
Current:			
Public Works			
Motor Vehicle and Gasoline Tax			
Salary and Wages	1,889,494	1,888,044	1,450
Fringe Benefits	998,438	998,438	0
Materials and Supplies	1,087,303	1,078,582	8,721
Contractual Services	902,646	1,041,124	(138,478)
Capital Outlay	1,325,575	2,436,829	(1,111,254)
Other	843,991	843,527	464
Total Public Works	<u>7,047,447</u>	<u>8,286,544</u>	<u>(1,239,097)</u>
Debt Service:			
Principal Retirement	250,000	250,000	0
Interest and Fiscal Charges	3,625	3,625	0
Total Debt Service	<u>253,625</u>	<u>253,625</u>	<u>0</u>
Total Expenditures	<u>7,301,072</u>	<u>8,540,169</u>	<u>(1,239,097)</u>
Excess of Revenues Under Expenditures	<u>(195,129)</u>	<u>(171,139)</u>	<u>23,990</u>
<u>Other Financing Sources (Uses):</u>			
Bond Anticipation Notes Issued	500,000	500,000	0
Transfers Out	(452,195)	(452,195)	0
Total Other Financing Sources (Uses)	<u>47,805</u>	<u>47,805</u>	<u>0</u>
Net Change in Fund Balance	(147,324)	(123,334)	23,990
Fund Balance at Beginning of Year	305,769	305,769	0
Prior Year Encumbrances Appropriated	254,773	254,773	0
Fund Balance at End of Year	<u>\$413,218</u>	<u>\$437,208</u>	<u>\$23,990</u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Health Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$330,216	\$330,216	\$0
Intergovernmental	6,886,125	6,886,125	0
Rent	65,571	65,571	0
Other	15,789	15,789	0
Total Revenues	<u>7,297,701</u>	<u>7,297,701</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Health			
Mental Health			
Salary and Wages	263,476	263,476	0
Fringe Benefits	99,647	99,647	0
Materials and Supplies	25,311	25,311	0
Contractual Services	6,622,015	6,622,015	0
Capital Outlay	14,434	14,434	0
Other	122,135	122,135	0
Total Expenditures	<u>7,147,018</u>	<u>7,147,018</u>	<u>0</u>
Net Change in Fund Balance	150,683	150,683	0
Fund Balance at Beginning of Year	<u>1,322,030</u>	<u>1,322,030</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,472,713</u></u>	<u><u>\$1,472,713</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation and Developmental Disabilities Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$2,622,683	\$2,622,683	\$0
Charges for Services	231,826	231,826	0
Intergovernmental	6,470,439	6,691,775	221,336
Other	505,115	505,115	0
Total Revenues	<u>9,830,063</u>	<u>10,051,399</u>	<u>221,336</u>
<u>Expenditures:</u>			
Current:			
Health			
MRDD			
Salary and Wages	4,270,450	4,270,450	0
Fringe Benefits	2,787,777	2,787,777	0
Materials and Supplies	430,903	430,903	0
Contractual Services	754,335	975,671	(221,336)
Capital Outlay	20,837	20,837	0
Other	173,982	173,993	(11)
Total Expenditures	<u>8,438,284</u>	<u>8,659,631</u>	<u>(221,347)</u>
Excess of Revenues Over Expenditures	1,391,779	1,391,768	(11)
<u>Other Financing Use:</u>			
Transfers Out	<u>(200,000)</u>	<u>(200,000)</u>	<u>0</u>
Net Change in Fund Balance	1,191,779	1,191,768	(11)
Fund Balance at Beginning of Year	<u>1,469,917</u>	<u>1,469,917</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,661,696</u></u>	<u><u>\$2,661,685</u></u>	<u><u>(\$11)</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Jail Operating Levy Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$1,145,328	\$1,145,328	\$0
Charges for Services	1,445,654	1,445,654	0
Intergovernmental	638,095	638,095	0
Total Revenues	<u>3,229,077</u>	<u>3,229,077</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Public Safety			
Jail Operating Levy			
Salary and Wages	2,049,290	2,049,290	0
Fringe Benefits	1,155,278	1,155,278	0
Materials and Supplies	293,251	293,251	0
Contractual Services	509,158	509,158	0
Capital Outlay	292,906	292,906	0
Other	25,427	25,427	0
Total Expenditures	<u>4,325,310</u>	<u>4,325,310</u>	<u>0</u>
Excess of Revenues Under Expenditures	(1,096,233)	(1,096,233)	0
<u>Other Financing Source:</u>			
Transfers In	848,408	848,408	0
Net Change in Fund Balance	(247,825)	(247,825)	0
Fund Balance (Deficit) at Beginning of Year	<u>(2,500,001)</u>	<u>(2,500,001)</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$2,747,826)</u></u>	<u><u>(\$2,747,826)</u></u>	<u><u>\$0</u></u>

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$1,008,265	\$1,008,265	\$0
Special Assessments	123,630	123,630	0
Permissive Sales Taxes	60,363	60,363	0
Bond Anticipation Notes Issued	700,000	700,000	0
Total Revenues	<u>1,892,258</u>	<u>1,892,258</u>	<u>0</u>
<u>Expenses:</u>			
Personal Services	225,985	225,979	6
Contractual Services	391,561	379,101	12,460
Materials and Supplies	21,673	21,552	121
Other Operating Expenses	418	0	418
Capital Outlay	135,470	135,470	0
Debt Service:			
Principal Retirement	1,305,664	1,305,664	0
Interest and Fiscal Charges	223,985	223,985	0
Total Expenses	<u>2,304,756</u>	<u>2,291,751</u>	<u>13,005</u>
Net Change in Fund Equity	(412,498)	(399,493)	13,005
Fund Equity at Beginning of Year	799,564	799,564	0
Prior Year Encumbrances Appropriated	51,805	51,805	0
Fund Equity at End of Year	<u><u>\$438,871</u></u>	<u><u>\$451,876</u></u>	<u><u>\$13,005</u></u>

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$4,962,374	\$4,962,374	\$0
Tap-In Fees	68,362	68,362	0
Interest	(11,030)	(11,030)	0
Capital Grants	36,354	36,354	0
Permissive Sales Taxes	181,091	181,091	0
Other Operating Revenue	48,801	48,801	0
Other Non-Operating Revenue	12,579	12,579	0
Ohio EPA Loan Issued	6,801,673	6,801,673	0
Total Revenues	<u>12,100,204</u>	<u>12,100,204</u>	<u>0</u>
<u>Expenses:</u>			
Personal Services	912,866	912,848	18
Contractual Services	1,778,542	1,636,860	141,682
Materials and Supplies	355,070	368,203	(13,133)
Other Operating Expenses	776	18,427	(17,651)
Capital Outlay	7,030,653	7,034,691	(4,038)
Debt Service:			
Principal Retirement	1,277,678	1,277,678	0
Interest and Fiscal Charges	426,583	426,583	0
Total Expenses	<u>11,782,168</u>	<u>11,675,290</u>	<u>106,878</u>
Net Change in Fund Equity	318,036	424,914	106,878
Fund Equity at Beginning of Year	1,989,835	1,989,835	0
Prior Year Encumbrances Appropriated	<u>301,907</u>	<u>301,907</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$2,609,778</u></u>	<u><u>\$2,716,656</u></u>	<u><u>\$106,878</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Local Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$1,306,293	\$1,306,293	\$0
Licenses and Permits	351,670	351,670	0
Fines and Forfeitures	11,237	11,237	0
Intergovernmental	1,686,104	1,686,104	0
Interest	690	690	0
Rent	24,304	24,304	0
Other	59,551	59,551	0
Total Revenues	<u>3,439,849</u>	<u>3,439,849</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
General Government -			
Legislative and Executive			
Certificate of Auto Title			
Salary and Wages	131,292	131,292	0
Fringe Benefits	55,789	55,789	0
Materials and Supplies	3,316	3,316	0
Contractual Services	3,540	3,540	0
Capital Outlay	1,374	1,374	0
Other	6,062	6,062	0
Total Certificate of Auto Title	<u>201,373</u>	<u>201,373</u>	<u>0</u>
Real Estate Assessment			
Salary and Wages	224,972	224,972	0
Fringe Benefits	97,651	97,651	0
Materials and Supplies	8,792	8,792	0
Contractual Services	611,117	611,117	0
Other	7,116	7,116	0
Total Real Estate Assessment	<u>949,648</u>	<u>949,648</u>	<u>0</u>
Delinquent Real/Assessment Collection			
Salary and Wages	84,857	84,857	0
Fringe Benefits	42,187	42,187	0
Materials and Supplies	1,018	1,018	0
Contractual Services	48,209	48,209	0
Total Delinquent Real/Assessment Collection	<u>176,271</u>	<u>176,271</u>	<u>0</u>
Equipment Recorders Supply			
Materials and Supplies	3,432	3,432	0
Contractual Services	11,268	11,268	0
Capital Outlay	5,870	5,870	0
Total Equipment Recorders Supply	<u>20,570</u>	<u>20,570</u>	<u>0</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Local Fund (Continued)
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
Geographic Information System			
Materials and Supplies	\$4,166	\$4,126	\$40
Contractual Services	158,146	134,400	23,746
Other	4,729	4,729	0
Total Geographic Information System	167,041	143,255	23,786
Total General Government - Legislative and Executive	1,514,903	1,491,117	23,786
Public Works			
Beautification			
Salary and Wages	141,777	141,777	0
Fringe Benefits	91,245	91,245	0
Materials and Supplies	4,500	4,500	0
Contractual Services	32,838	32,838	0
Total Public Works	270,360	270,360	0
Economic Development and Assistance			
Airport Gas Resale			
Materials and Supplies	49,300	49,300	0
Airport			
Salary and Wages	51,091	51,091	0
Fringe Benefits	23,374	23,374	0
Materials and Supplies	7,339	7,339	0
Contractual Services	8,400	8,400	0
Capital Outlay	595,803	595,803	0
Other	40,278	40,278	0
Total Airport	726,285	726,285	0
Total Economic Development and Assistance	775,585	775,585	0

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Local Fund (Continued)
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
Health			
Dog and Kennel			
Salary and Wages	\$69,438	\$69,438	\$0
Fringe Benefits	38,456	38,456	0
Materials and Supplies	7,023	7,023	0
Other	8,332	8,332	0
Total Health	<u>123,249</u>	<u>123,249</u>	<u>0</u>
Human Services			
Child Support Enforcement Agency			
Salary and Wages	445,947	445,947	0
Fringe Benefits	248,364	248,364	0
Materials and Supplies	1,441	1,441	0
Contractual Services	301,978	301,978	0
Other	466,322	466,322	0
Total Human Services	<u>1,464,052</u>	<u>1,464,052</u>	<u>0</u>
Total Expenditures	<u>4,148,149</u>	<u>4,124,363</u>	<u>23,786</u>
Excess of Revenues Under Expenditures	<u>(708,300)</u>	<u>(684,514)</u>	<u>23,786</u>
<u>Other Financing Sources:</u>			
Revenue Anticipation Notes Issued	170,264	170,264	0
Transfers In	171,100	171,100	0
Total Other Financing Sources	<u>341,364</u>	<u>341,364</u>	<u>0</u>
Net Change in Fund Balance	(366,936)	(343,150)	23,786
Fund Balance at Beginning of Year	1,660,129	1,660,129	0
Prior Year Encumbrances Appropriated	89,328	89,328	0
Fund Balance at End of Year	<u><u>\$1,382,521</u></u>	<u><u>\$1,406,307</u></u>	<u><u>\$23,786</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$156,004	\$156,004	\$0
Licenses and Permits	9,600	9,600	0
Fines and Forfeitures	7,882	7,882	0
Intergovernmental	<u>1,647,773</u>	<u>1,647,773</u>	<u>0</u>
Total Revenues	<u>1,821,259</u>	<u>1,821,259</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
General Government - Judicial			
County Probation Services			
Materials and Supplies	16,709	16,709	0
Contractual Services	20,135	20,135	0
Capital Outlay	<u>0</u>	<u>0</u>	<u>0</u>
Total County Probation Services	<u>36,844</u>	<u>36,844</u>	<u>0</u>
Conduct of Business			
Other	<u>556</u>	<u>556</u>	<u>0</u>
Court Computer			
Contractual Services	<u>54,862</u>	<u>54,862</u>	<u>0</u>
Indigent Drivers Alcohol Treatment			
Contractual Services	<u>22,959</u>	<u>22,959</u>	<u>0</u>
Indigent Guardianship			
Contractual Services	<u>21,860</u>	<u>21,860</u>	<u>0</u>
Juvenile Court Computer			
Other	<u>2,700</u>	<u>2,700</u>	<u>0</u>
Juvenile Computer Equipment			
Capital Outlay	<u>6,300</u>	<u>6,300</u>	<u>0</u>
Probate Court Computer			
Contractual Services	<u>1,110</u>	<u>1,110</u>	<u>0</u>
Probate Computer Equipment			
Materials and Supplies	6,779	6,779	0
Contractual Services	<u>15,464</u>	<u>15,464</u>	<u>0</u>
Total Probate Computer Equipment	<u>22,243</u>	<u>22,243</u>	<u>0</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
Drug Court Treatment			
Materials and Supplies	\$550	\$550	\$0
Contractual Services	21,513	21,513	0
Other	1,829	1,829	0
Total Drug Court Treatment	23,892	23,892	0
Clerk of Courts			
Contractual Services	6,090	6,090	0
Total General Government - Judicial	199,416	199,416	0
Public Safety			
Juvenile Probation Fees			
Other	2,664	2,664	0
Juvenile Special Projects			
Other	6,593	6,593	0
PSN Gun Prosecution			
Personal Services	1,230	1,230	0
Fringe Benefits	3,253	3,253	0
Contractual Services	6,000	6,000	0
Total PSN Gun Prosecution	10,483	10,483	0
Concealed Handgun			
Contractual Services	4,545	4,545	0
Total Concealed Handgun	4,545	4,545	0
Juvenile Probation Services Enhancement			
Contractual Services	625,301	625,301	0
Total Juvenile Probation Services Enhancement	625,301	625,301	0
Juvenile Multiple Handicap Assessment			
Materials and Supplies	20,308	20,308	0
Contractual Services	6,615	6,615	0
Total Juvenile Multiple Handicap Assessment	26,923	26,923	0
Juvenile Drug Court Implementation			
Contractual Services	43,754	43,754	0
Other	98	98	0
Total Juvenile Drug Court Implementation	43,852	43,852	0

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
Mediation Juvenile Program			
Contractual Services	\$241,236	\$241,236	\$0
Felony Delinquent Care and Custody			
Salary and Wages	113,529	113,529	0
Fringe Benefits	232,035	232,035	0
Materials and Supplies	234	234	0
Contractual Services	180,088	180,088	0
Other	82,657	82,657	0
Total Felony Delinquent Care and Custody	608,543	608,543	0
Sexual Offender Treatment Program			
Materials and Supplies	2,046	2,046	0
Other	1,588	1,588	0
Total Sexual Offender Treatment Program	3,634	3,634	0
Crime Victims Assistance Office			
Salary and Wages	39,452	39,452	0
Materials and Supplies	519	519	0
Fringe Benefits	9,790	9,790	0
Total Crime Victims Assistance Office	49,761	49,761	0
CPP			
Salary and Wages	1,648	1,648	0
Fringe Benefits	1,093	1,093	0
Total CPP	2,741	2,741	0
Community Corrections Act			
Salary and Wages	40,539	40,539	0
Fringe Benefits	21,001	21,001	0
Contractual Services	385	385	0
Other	16,280	16,280	0
Total Community Corrections Act	78,205	78,205	0
Prisoner Incentive			
Capital Outlay	15,425	15,425	0
Other			
Total Prisoner Incentive	15,425	15,425	0

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Law Enforcement Trust			
Contractual Services	\$2,598	\$2,598	\$0
CTC Expansion Project 1L			
Contractual Services	17,500	17,500	0
Vehicle Communication Upgrade			
Capital Outlay	16,666	16,666	0
Domestic Violence Investigator			
Salary and Wages	27,940	27,940	0
Fringe Benefits	13,857	13,857	0
Materials and Supplies	3,953	3,953	0
Total Domestic Violence Investigator	45,750	45,750	0
Juvenile Court Tobacco Program			
Capital Outlay	19,580	19,580	0
Total Public Safety	1,822,000	1,822,000	0
Total Expenditures	2,021,416	2,021,416	0
Excess of Revenues Under Expenditures	(200,157)	(200,157)	0
<u>Other Financing Source:</u>			
Transfers In	33,012	33,012	0
Net Change in Fund Balance	(167,145)	(167,145)	0
Fund Balance at Beginning of Year	941,920	941,920	0
Prior Year Encumbrances Appropriated	192	192	0
Fund Balance at End of Year	<u>\$774,967</u>	<u>\$774,967</u>	<u>\$0</u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency 911 Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$1,271,118	\$1,271,118	\$0
Intergovernmental	339,865	339,865	0
Rent	24,960	24,960	0
Total Revenues	<u>1,635,943</u>	<u>1,635,943</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Public Safety			
Emergency 911			
Salary and Wages	457,132	457,132	0
Fringe Benefits	209,565	209,565	0
Materials and Supplies	5,340	5,340	0
Contractual Services	315,323	315,323	0
Capital Outlay	378,593	378,593	0
Other	33,449	33,449	0
Total Expenditures	<u>1,399,402</u>	<u>1,399,402</u>	<u>0</u>
Excess of Revenues Over Expenditures	236,541	236,541	0
<u>Other Financing Use:</u>			
Transfers Out	<u>(326,738)</u>	<u>(326,738)</u>	<u>0</u>
Net Change in Fund Balance	(90,197)	(90,197)	0
Fund Balance at Beginning of Year	<u>418,067</u>	<u>418,067</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$327,870</u></u>	<u><u>\$327,870</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Sheriff Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Permissive Sales Taxes	\$1,269,805	\$1,269,805	\$0
Charges for Services	163,451	163,451	0
Intergovernmental	226,664	226,664	0
Other	47,129	47,129	0
Total Revenues	<u>1,707,049</u>	<u>1,707,049</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Public Safety			
Permissive Sheriff			
Salary and Wages	1,437,583	1,437,583	0
Fringe Benefits	884,779	884,779	0
Materials and Supplies	109,211	109,211	0
Capital Outlay	88,985	88,985	0
Other	38,179	38,179	0
Total Expenditures	<u>2,558,737</u>	<u>2,558,737</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(851,688)</u>	<u>(851,688)</u>	<u>0</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	871,992	871,992	0
Transfers Out	(20,304)	(20,304)	0
Total Other Financing Sources (Uses):	<u>851,688</u>	<u>851,688</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance (Deficit) at Beginning of Year	<u>(500,000)</u>	<u>(500,000)</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$500,000)</u></u>	<u><u>(\$500,000)</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Tuberculosis/Crippled Child Levy Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$1,052	\$1,052	\$0
Intergovernmental	67,555	67,555	0
Total Revenues	<u>68,607</u>	<u>68,607</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Health			
Tuberculosis Levy			
Materials and Supplies	3,578	3,578	0
Contractual Services	113,363	112,365	998
Total Tuberculosis Levy	<u>116,941</u>	<u>115,943</u>	<u>998</u>
Crippled Child Levy			
Other	83,870	83,870	0
Total Expenditures	<u>200,811</u>	<u>199,813</u>	<u>998</u>
Net Change in Fund Balance	(132,204)	(131,206)	998
Fund Balance at Beginning of Year	2,302,503	2,302,503	0
Prior Year Encumbrances Appropriated	997	997	0
Fund Balance at End of Year	<u><u>\$2,171,296</u></u>	<u><u>\$2,172,294</u></u>	<u><u>\$998</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Children Services Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$798,130	\$798,130	\$0
Charges for Services	135,445	135,445	0
Intergovernmental	2,601,003	2,601,003	0
Other	7,884	7,884	0
Total Revenues	<u>3,542,462</u>	<u>3,542,462</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Human Services			
Children Services Levy			
Salary and Wages	746,631	746,631	0
Fringe Benefits	370,232	370,232	0
Materials and Supplies	17,201	17,201	0
Contractual Services	1,682,132	1,680,666	1,466
Capital Outlay	2,852	2,852	0
Other	54,396	54,396	0
Total Children Services Levy	<u>2,873,444</u>	<u>2,871,978</u>	<u>1,466</u>
Net Change in Fund Balance	669,018	670,484	1,466
Fund Balance at Beginning of Year	490,244	490,244	0
Prior Year Encumbrances Appropriated	<u>1,461</u>	<u>1,461</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,160,723</u></u>	<u><u>\$1,162,189</u></u>	<u><u>\$1,466</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$489,185	\$489,185	\$0
Other	1,075	1,075	0
Total Revenues	<u>490,260</u>	<u>490,260</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Economic Development and Assistance Community Development Block Grant			
Contractual Services	467,507	467,507	0
Other	4,039	4,039	0
Total Expenditures	<u>471,546</u>	<u>471,546</u>	<u>0</u>
Net Change in Fund Balance	18,714	18,714	0
Fund Balance at Beginning of Year	5,382	5,382	0
Prior Year Encumbrances Appropriated	<u>15,059</u>	<u>15,059</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$39,155</u></u>	<u><u>\$39,155</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Assistance Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$1,413,914	\$1,413,914	\$0
<u>Expenditures:</u>			
Current:			
Public Works			
Federal Emergency Management Agency			
Contractual Services	1,402,959	1,402,959	0
Intergovernmental	10,955	10,955	0
Total Expenditures	<u>1,413,914</u>	<u>1,413,914</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$1,114,486	\$1,114,486	\$0
<u>Expenditures:</u>			
Current:			
Senior Citizens Levy:			
Contractual Services	<u>1,114,486</u>	<u>1,114,486</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Jefferson 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, 2005

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$1,118,704	\$1,118,704	\$0
Permissive Sales Taxes	1,126,789	1,126,789	0
Intergovernmental	136,427	136,427	0
Rent	323,704	323,704	0
Total Revenues	<u>2,705,624</u>	<u>2,705,624</u>	<u>0</u>
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	1,988,643	1,988,643	0
Interest and Fiscal Charges	1,381,586	1,381,586	0
Total Debt Service	<u>3,370,229</u>	<u>3,370,229</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(664,605)</u>	<u>(664,605)</u>	<u>0</u>
<u>Other Financing Sources:</u>			
Revenue Anticipation Notes Issued	31,736	31,736	0
Transfers In	855,961	855,961	0
Total Other Financing Sources	<u>887,697</u>	<u>887,697</u>	<u>0</u>
Net Change in Fund Balance	223,092	223,092	0
Fund Balance at Beginning of Year	<u>1,493,333</u>	<u>1,493,333</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,716,425</u></u>	<u><u>\$1,716,425</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$52,004	\$52,004	\$0
Other	19,108	19,108	0
Total Revenues	<u>71,112</u>	<u>71,112</u>	<u>0</u>
<u>Expenditures:</u>			
Capital Outlay			
Mental Retardation	84,171	84,171	0
Mental Health	65,000	65,000	0
Public Safety (911 Facility)	225,954	225,954	0
Total Expenditures	<u>375,125</u>	<u>375,125</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(304,013)</u>	<u>(304,013)</u>	<u>0</u>
<u>Other Financing Sources:</u>			
Revenue Anticipation Notes Issued	1,500,000	1,500,000	0
Transfers In	200,000	200,000	0
Net Change in Fund Balance	1,395,987	1,395,987	0
Fund Balance at Beginning of Year	<u>615,559</u>	<u>615,559</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,011,546</u></u>	<u><u>\$2,011,546</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Voting Machines Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$0	\$720,690	\$720,690
<u>Expenditures:</u>			
Capital Outlay	<u>0</u>	<u>720,690</u>	<u>(720,690)</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$7,523,990	\$7,523,990	\$0
Interest	63,121	63,121	0
Other Operating Revenue	<u>2,085,545</u>	<u>2,085,545</u>	<u>0</u>
Total Revenues	<u>9,672,656</u>	<u>9,672,656</u>	<u>0</u>
<u>Expenses:</u>			
Contractual Services	1,284,889	1,284,889	0
Claims	<u>6,288,880</u>	<u>6,288,880</u>	<u>0</u>
Total Expenses	<u>7,573,769</u>	<u>7,573,769</u>	<u>0</u>
Net Change in Fund Equity	2,098,887	2,098,887	0
Fund Equity (Deficit) at Beginning of Year	<u>(7,183,605)</u>	<u>(7,183,605)</u>	<u>0</u>
Fund Equity (Deficit) at End of Year	<u><u>(\$5,084,718)</u></u>	<u><u>(\$5,084,718)</u></u>	<u><u>\$0</u></u>

Jefferson 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, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$1,062,889	\$1,062,889	\$0
Other Non-Operating Revenues	11,072	11,072	0
Total Revenues	<u>1,073,961</u>	<u>1,073,961</u>	<u>0</u>
<u>Expenses:</u>			
Contractual Services	240,471	240,471	0
Claims	348,995	348,995	0
Total Expenses	<u>589,466</u>	<u>589,466</u>	<u>0</u>
Net Change in Fund Equity	484,495	484,495	0
Fund Equity at Beginning of Year	<u>4,531,958</u>	<u>4,531,958</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$5,016,453</u></u>	<u><u>\$5,016,453</u></u>	<u><u>\$0</u></u>

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Statistical Section

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Statistical Section

The following unaudited statistical tables reflect social and economic data, financial trends and fiscal capacity of the County.

JEFFERSON COUNTY, OHIO
General Fund Expenditures by Function
Last Ten Years

	<u>2005 (1)</u>	<u>2004 (1)</u>	<u>2003 (1)</u>	<u>2002 (1)</u>	<u>2001</u>
General Government:					
Legislative and Executive	\$4,707,491	\$4,731,228	\$4,719,734	\$5,074,323	\$5,028,648
Judicial	3,177,177	3,805,274	3,541,116	3,390,391	3,075,791
Public Safety	279,516	337,507	709,081	119,497	311,644
Public Works	0	0	0	0	15,230
Health	232,733	232,976	227,774	282,393	267,807
Human Services	983,190	1,016,995	990,784	877,699	894,109
Economic Development	0	0	0	0	0
Other	250,398	357,299	611,041	554,592	477,797
Capital Outlay	58,150	0	24,663	0	11,987
Intergovernmental	82,500	49,999	59,999	40,500	143,765
Principal Retirement	1,151	3,276	23,877	35,626	33,211
Interest and Fiscal Charges	<u>19</u>	<u>236</u>	<u>3,163</u>	<u>2,866</u>	<u>6,620</u>
Total Expenditures	<u><u>\$9,772,325</u></u>	<u><u>\$10,534,790</u></u>	<u><u>\$10,911,232</u></u>	<u><u>\$10,377,887</u></u>	<u><u>\$10,266,609</u></u>

(1) - Includes modified accrual information only.

Source: Jefferson County Auditor

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$5,155,992	\$4,733,044	\$4,830,432	\$4,683,961	\$5,092,457
3,245,423	2,784,616	2,685,234	2,547,965	2,197,547
929,074	131,471	149,254	133,869	121,342
183,643	180,300	168,200	179,106	0
387,358	373,922	368,540	340,874	258,504
826,458	847,208	896,019	933,746	1,154,815
125,893	133,812	359,424	158,484	156,381
411,079	72,382	113,942	378,880	3,361
0	0	0	0	0
181,168	172,986	176,137	169,930	195,383
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>1,399</u>	<u>26,544</u>	<u>44,045</u>
<u>\$11,446,088</u>	<u>\$9,429,741</u>	<u>\$9,748,581</u>	<u>\$9,553,359</u>	<u>\$9,223,835</u>

JEFFERSON COUNTY, OHIO

General Fund Revenues by Source

Last Ten Years

	<u>2005 (1)</u>	<u>2004 (1)</u>	<u>2003 (1)</u>	<u>2002 (1)</u>	<u>2001</u>
Property Taxes	\$1,890,430	\$1,802,393	\$1,734,045	\$1,725,032	\$2,179,948
Permissive Sales Taxes	4,287,327	4,299,136	4,031,020	3,975,249	3,738,870
Charges for Services	2,287,058	2,267,631	2,327,390	2,226,229	1,713,866
Licenses and Permits	4,796	5,387	6,344	4,685	4,885
Fines and Forfeitures	336,725	398,328	384,862	263,397	394,154
Intergovernmental	2,823,635	2,907,786	2,865,211	2,809,891	2,979,094
Interest	428,121	178,219	238,531	401,982	995,506
Rent	0	0	0	1,650	12,035
Other	<u>210,119</u>	<u>394,315</u>	<u>400,952</u>	<u>365,560</u>	<u>184,103</u>
Total Revenues	<u>\$12,268,211</u>	<u>\$12,253,195</u>	<u>\$11,988,355</u>	<u>\$11,773,675</u>	<u>\$12,202,461</u>

(1) - Includes modified accrual information only.

Source: Jefferson County Auditor

<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$1,939,289	\$1,923,662	\$1,873,329	\$1,388,517	\$2,243,816
3,745,132	3,571,762	3,968,361	3,696,679	3,813,018
1,658,858	1,501,198	1,538,214	1,300,002	1,395,470
0	0	72,077	8,135	8,315
234,803	114,872	261,195	171,975	223,735
2,668,001	2,584,139	2,345,540	2,300,171	1,725,081
1,417,097	1,119,105	991,804	761,544	498,061
10,012	9,925	11,026	45,048	49,807
<u>1,211,636</u>	<u>115,271</u>	<u>177,962</u>	<u>425,813</u>	<u>238,020</u>
<u><u>\$12,884,828</u></u>	<u><u>\$10,939,934</u></u>	<u><u>\$11,239,508</u></u>	<u><u>\$10,097,884</u></u>	<u><u>\$10,195,323</u></u>

JEFFERSON COUNTY, OHIO

Property Tax Levies and Collections

Real and Public Utility Taxes

Last Ten Years

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2005	\$44,167,378	\$42,631,364	96.52%	\$1,621,967	\$44,253,331
2004	41,859,781	40,532,707	96.83%	1,958,302	42,491,009
2003	40,165,455	38,832,118	96.68%	1,591,492	40,423,610
2002	39,037,712	37,807,239	96.85%	1,663,993	39,471,232
2001	49,139,104	47,833,872	97.34%	1,354,347	49,188,219
2000	45,115,236	45,115,236	100.00%	1,231,287	46,346,523
1999	46,785,513	45,667,358	97.61%	1,389,985	47,057,343
1998	46,574,714	45,368,028	97.41%	795,031	46,163,059
1997	45,096,566	43,988,978	97.54%	1,099,851	45,088,829
1996	43,848,774	42,886,926	97.81%	903,284	43,790,210

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

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

Source: Jefferson County Auditor

Percent of Collections to Current Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes to Current Tax Levy
100.19%	\$4,949,910	11.21%
101.51%	5,003,258	11.95%
100.64%	5,283,118	13.15%
101.11%	5,141,530	13.17%
100.10%	4,932,325	10.04%
102.73%	4,469,298	9.91%
100.58%	4,096,522	8.76%
99.12%	3,957,000	8.50%
99.98%	3,252,206	7.21%
99.87%	2,868,900	6.54%

JEFFERSON COUNTY, OHIO

Property Tax Levies and Collections

Tangible Personal Property Taxes

Last Ten Years

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collected</u>	<u>Outstanding Delinquent Taxes (1)</u>
2005	\$8,138,456	\$7,871,861	\$98,926	\$7,970,787	\$2,681,325
2004	7,231,448	7,071,014	34,936	7,105,950	7,075,528
2003	8,072,306	7,957,062	70,469	8,027,531	6,585,145
2002	5,816,268	5,657,258	110,825	5,768,083	6,031,171
2001	6,312,008	6,179,833	97,644	6,277,477	5,978,541
2000	9,315,459	8,443,478	569,201	9,012,679	6,255,773
1999	8,949,296	7,899,617	113,128	8,012,745	4,150,723
1998	7,927,285	7,123,769	103,250	7,227,019	5,809,549
1997	9,588,398	7,129,079	38,649	7,167,728	4,059,524
1996	6,952,882	6,542,782	33,368	6,576,150	3,326,972

(1) - Amount includes interest and penalties

Source: Jefferson County Auditor

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

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value (1)
2005	\$784,377,760	\$2,241,079,314	\$219,566,660	\$627,333,314	\$126,780,017	\$507,120,068
2004	773,709,490	2,210,598,543	208,000,650	594,287,571	143,704,645	574,818,580
2003	715,324,780	2,043,785,086	208,221,340	594,918,114	120,137,070	480,548,280
2002	710,144,460	2,028,984,171	203,524,140	581,497,543	112,992,494	451,969,976
2001	709,278,810	2,026,510,886	204,389,790	583,970,829	115,978,614	463,914,456
2000	706,385,800	2,018,245,143	414,211,860	470,695,295	116,037,125	464,148,500
1999	576,107,630	1,646,021,800	416,032,490	472,764,193	142,000,742	568,002,968
1998	569,433,660	1,626,953,314	422,466,140	480,075,159	141,362,823	565,451,292
1997	563,355,090	1,609,585,971	422,628,880	480,260,091	128,468,415	513,873,660
1996	520,185,810	1,486,245,171	423,463,930	481,209,011	122,595,923	490,383,692

(1) - This amount is calculated by dividing the assessed value by the assessment percentage.

Source: Jefferson County Auditor

Totals		
Assessed Value	Estimated Actual Value (1)	Ratio
\$1,130,724,437	\$3,375,532,696	33.5%
1,125,414,785	3,379,704,694	33.3%
1,043,683,190	3,119,251,480	33.5%
1,026,661,094	3,062,451,690	33.5%
1,029,647,214	3,074,396,171	33.5%
1,236,634,785	2,953,088,938	41.9%
1,134,140,862	2,686,788,961	42.2%
1,133,262,623	2,672,479,765	42.4%
1,114,452,385	2,603,719,722	42.8%
1,066,245,663	2,457,837,874	43.4%

JEFFERSON COUNTY, OHIO

Property Tax Rates

Direct and Overlapping Governments

(Per \$1,000 of Assessed Value)

Last Ten Years

<u>County Units</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>
General Fund	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85
Mental Health	0.50	0.50	0.50	0.50	0.50	0.50
Mental Health & Retardation	1.80	1.80	1.80	1.80	1.80	1.80
Tuberculosis & Crippled Children	0.00	0.00	0.00	0.30	0.30	0.30
Children's Services	1.00	1.00	1.00	1.00	1.00	1.00
Jail Bond (\$15,000,000)	1.10	1.10	1.10	1.10	1.10	1.10
Mental Health & Retardation - Jeffco.	1.70	1.70	1.70	1.70	1.70	1.70
911 System	1.50	1.50	1.50	1.00	1.00	1.00
Jail Operating & Equipment	1.50	1.50	1.50	1.50	1.50	1.50
Senior Citizens	1.00	0.00	0.00	0.00	0.00	0.00
	11.95	10.95	10.95	10.75	10.75	10.75
<u>Corporations:</u>						
Adena	25.00	25.00	25.00	25.00	25.00	20.00
Amsterdam	19.40	19.40	19.40	19.40	19.40	19.40
Bergholz	8.20	8.20	8.20	8.20	8.20	8.20
Bloomington	3.40	8.40	8.40	8.40	8.40	8.40
Dillonvale	18.90	16.90	16.90	16.90	16.90	16.90
Empire	13.70	13.70	13.70	12.20	12.20	12.20
Irondale	11.00	11.00	11.00	11.00	11.00	11.00
Mingo Junction	9.80	9.80	9.80	6.80	7.80	7.80
Mt. Pleasant	26.90	26.90	26.90	26.90	26.90	26.90
New Alexandria	7.40	7.40	2.40	7.40	7.40	7.40
Rayland	6.70	6.70	6.70	6.70	6.70	6.70
Richmond	14.40	14.40	14.40	14.40	14.40	14.40
Smithfield	24.50	25.30	25.30	26.30	26.30	23.30
Steubenville	8.90	8.90	8.90	7.90	7.90	7.90
Stratton	5.00	5.00	5.00	3.50	3.50	3.50
Tiltonsville	16.20	16.20	12.70	12.70	12.70	12.70
Toronto	7.00	7.00	7.00	3.40	3.40	3.90
Wintersville	8.80	6.80	6.80	6.80	6.80	6.80
Yorkville	10.45	10.45	10.45	10.45	10.45	11.30
<u>Townships:</u>						
Brush Creek	4.20	4.20	4.20	4.20	4.20	3.70
Cross Creek	10.90	8.90	8.90	8.90	8.90	8.90
Island Creek	8.70	8.70	8.70	8.70	8.70	8.70
Knox	9.70	9.70	9.70	9.70	8.20	5.20
Mt. Pleasant	6.10	6.10	6.10	6.10	6.10	6.10
Ross	3.70	3.70	3.70	3.70	3.70	2.70
Salem	6.50	6.50	6.50	6.50	6.50	6.50
Saline	4.80	3.80	3.80	3.80	3.80	3.80
Smithfield	5.10	5.10	5.10	5.10	5.10	5.10
Springfield	8.20	8.20	8.20	8.20	8.20	8.20
Steubenville	4.10	4.10	4.10	4.10	4.10	4.10
Warren	6.80	5.80	5.80	5.80	5.80	5.80
Wayne	14.40	11.90	11.90	11.90	11.90	11.90
Wells	7.25	6.00	6.00	6.00	6.00	6.00
<u>School Districts</u>						
Buckeye Local School District	30.40	30.60	30.60	30.50	30.50	30.50
Edison Local School District	30.40	30.40	30.40	30.40	30.40	30.40
Indian Creek Local School District	39.10	39.10	39.10	39.10	39.10	39.10
Steubenville City School District	35.35	35.35	35.95	36.45	36.45	36.80
Toronto City School District	37.65	37.65	37.65	37.65	37.65	37.65
<u>Joint Vocational School</u>						
Jefferson County JVS	1.50	1.50	1.50	1.50	1.50	1.50
<u>College</u>						
Community College	1.00	1.00	1.00	1.00	1.00	1.00

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$1.85	\$1.85	\$1.85	\$1.85
0.50	0.50	0.50	0.50
1.80	1.80	1.80	1.80
0.30	0.30	0.30	0.30
1.00	1.00	1.00	1.00
1.10	1.10	1.10	1.10
1.70	1.70	1.70	1.70
1.00	1.00	1.00	0.65
1.50	1.50	1.50	1.50
0.00	0.00	0.00	0.00
10.75	10.75	10.75	10.40

20.00	20.00	20.00	20.00
19.40	16.70	16.70	16.70
8.20	8.20	8.20	8.20
8.40	8.40	8.40	8.40
16.90	16.90	16.90	16.90
12.20	12.20	12.20	12.70
11.00	11.00	11.00	11.00
7.80	7.80	7.80	7.80
26.90	26.90	22.90	22.90
7.40	7.40	7.40	7.40
6.70	6.70	6.70	6.70
14.40	14.40	14.40	14.40
23.30	23.30	24.30	24.30
7.90	9.20	9.20	9.20
3.50	3.50	3.50	4.00
12.70	12.70	12.70	12.70
3.90	6.40	6.40	3.40
6.80	9.80	9.80	9.80
10.95	10.95	10.95	10.95

3.70	3.70	3.70	3.70
8.90	8.90	8.90	8.90
8.70	8.70	8.70	8.70
5.20	5.20	5.20	5.20
6.10	6.10	6.10	6.10
2.70	2.70	2.70	2.70
6.50	6.50	6.50	6.50
3.80	3.80	3.80	3.80
5.10	5.10	5.10	5.10
8.20	8.20	8.20	8.20
4.10	4.10	4.10	4.10
5.80	5.80	5.80	5.80
11.90	11.90	11.90	11.90
6.00	6.00	6.00	6.00

31.35	31.35	31.35	31.35
30.50	30.50	30.50	30.50
39.10	39.10	39.10	39.10
36.80	34.70	34.70	34.70
37.65	44.05	44.05	44.05

1.50	1.50	1.50	1.50
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1.00	1.00	1.00	1.00
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JEFFERSON COUNTY, OHIO
Special Assessments Billed and Collected
Last Ten Years

Year	Special Assessments Billed (1)	Special Assessments Collected	Percent Collected	Outstanding Delinquent (1)
2005	\$137,011	\$123,620	90.23%	\$13,391
2004 (2)	42,733	30,296	70.90%	12,437
2003	226,727	34,953	15.42%	191,774
2002	218,551	32,686	14.96%	186,957
2001	224,006	47,643	21.27%	182,160
2000	209,962	46,579	22.18%	170,069
1999	179,519	38,812	21.62%	145,411
1998	161,293	35,759	22.17%	130,648
1997	147,117	33,146	22.53%	119,165
1996	135,953	29,828	21.94%	110,122

(1) Includes interest and penalties for outstanding delinquencies.

(2) During 2004, the County forgave a significant delinquent special assessment upon sale of the affected property

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO
Computation of Legal Debt Margin
December 31, 2005

	<u>Total Debt Limit (1)</u>	<u>Total Unvoted Debt Limit (2)</u>
Assessed Value of County, Collection Year 2005	\$1,130,724,437	\$1,130,724,437
Debt Limitation	26,768,111	11,307,244
Total Outstanding Debt:		
General Obligation Bonds	28,427,219	28,427,219
OWDA Loans	4,223,192	4,223,192
OPWC Loans	706,816	706,816
OEPA Loans	6,766,433	6,766,433
Notes	<u>3,496,841</u>	<u>3,496,841</u>
Total	43,620,501	43,620,501
Exemptions:		
General Obligation Bonds	24,207,219	24,207,219
OWDA Loans	4,223,192	4,223,192
OPWC Loans	706,816	706,816
OEPA Loans	6,766,433	6,766,433
Notes	844,342	844,342
Amount Available in Debt Service Fund	<u>2,021,574</u>	<u>2,021,574</u>
Total	<u>38,769,576</u>	<u>38,769,576</u>
Net Debt	<u>\$4,850,925</u>	<u>\$4,850,925</u>
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	<u>\$21,917,186</u>	<u>\$6,456,319</u>

(1) The Debt Limitation is calculated as follows:

Assessed valuation up to \$300,000,000	\$6,000,000
2 1/2 percent of amount of assessed value in excess of \$300,000,000	<u>20,768,111</u>
	<u>\$26,768,111</u>

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

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

*Ratio of Net General Obligation Bonded Debt to Assessed Value
and Net Bonded Debt Per Capita
Last Ten Years*

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt (1)</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2005	70,599	\$1,130,724,437	\$24,842,219	\$2,021,574	\$22,820,645	2.02%	\$323.24
2004	71,420	1,125,414,785	30,232,219	1,811,204	28,421,015	2.53%	397.94
2003	71,888	1,043,683,190	23,907,219	2,017,073	21,890,146	2.10%	304.50
2002	72,402	1,026,661,094	25,527,219	2,311,876	23,215,343	2.26%	320.65
2001	72,855	1,029,647,214	27,087,219	1,935,010	25,152,209	2.44%	345.24
2000	73,894	1,236,634,785	28,582,219	1,306,301	27,275,918	2.21%	369.12
1999	73,662	1,134,140,862	29,842,219	1,430,851	28,411,368	2.51%	385.70
1998	74,558	1,114,452,385	30,902,219	1,197,938	29,704,281	2.67%	398.41
1997	76,014	1,066,245,663	16,475,000	1,581,075	14,893,925	1.40%	195.94
1996	77,037	1,073,746,960	16,915,000	1,462,935	15,452,065	1.44%	200.58

(1) Includes only General Obligation Bonds

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO
*Ratio of Annual Debt Service Expenditures For
 General Obligation Bonded Debt to Total General Fund Expenditures
 Last Ten Years*

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service To Total General Fund Expenditures</u>
2005	\$1,715,000	\$1,349,262	\$3,064,262	\$9,772,325	31.36%
2004	1,685,000	1,215,193	2,900,193	10,534,790	27.53%
2003	1,620,000	1,293,186	2,913,186	10,911,232	26.70%
2002	1,560,000	1,367,558	2,927,558	10,377,887	28.21%
2001	1,495,000	1,440,413	2,935,413	10,266,609	28.59%
2000	1,260,000	1,502,188	2,762,188	11,446,088	24.13%
1999	1,060,000	1,554,678	2,614,678	9,429,741	27.73%
1998	1,055,000	1,317,867	2,372,867	9,748,581	24.34%
1997	440,000	1,164,425	1,604,425	9,553,359	16.79%
1996	420,000	1,189,406	1,609,406	9,223,835	17.45%

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

*Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2005*

<u>Political Subdivision</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable To County (2)</u>	<u>Amount Applicable To County</u>
Jefferson County	\$28,427,219	100.00%	<u>\$28,427,219</u>
Cities Wholly Within County	0	100.00	0
Villages Wholly Within County	0	100.00	0
School Districts Wholly Within County	8,187,934	100.00	8,187,934
Buckeye Local School District	3,214,945	90.03	2,894,415
Jefferson County Joint Vocational School District	265,000	97.35	257,978
Southern Local School District	2,784,999	1.23	<u>34,255</u>
Total Overlapping Debt Only			<u>11,374,582</u>
Total Applicable to Jefferson County			<u><u>\$39,801,801</u></u>

(1) Includes only General Obligation Bonded Debt.

(2) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the County by the total assessed valuation of the political subdivision.

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

Revenue Bond Coverage - Water Fund

Last Ten Years

Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest and Fiscal Charges	Total	
2005	\$5,001,874	\$2,866,924	\$2,134,950	\$61,000	\$1,281	\$62,281	34.28
2004	4,773,778	3,101,615	1,672,163	71,000	4,053	75,053	22.28
2003	4,198,098	2,752,511	1,445,587	69,000	6,993	75,993	19.02
2002	3,820,188	2,708,552	1,111,636	63,000	9,765	72,765	15.28
2001	3,037,379	2,600,027	437,352	60,000	12,348	72,348	6.05
2000	3,152,461	2,525,840	626,621	58,000	14,826	72,826	8.60
1999	3,077,663	2,202,212	875,451	56,000	17,220	73,220	11.96
1998	2,915,440	2,348,500	566,940	54,000	19,530	73,530	7.71
1997	2,579,262	1,702,331	876,931	51,000	21,720	72,720	12.06
1996	3,072,079	1,596,632	1,475,447	49,000	23,680	72,680	20.30

(1) Total revenues (including interest) exclusive of tap fees, capital grants, and permissive taxes

(2) Total operating expenses exclusive of depreciation

(3) Includes principal and interest of revenue bonds only

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

Demographic Statistics

December 31, 2005

Total Population	70,599	(1)
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Sex

Male	33,680	(2)
Female	36,919	

Age

Under 5 Years	3,688	(2)
5 to 9 Years	4,140	
10 to 14 Years	4,459	
15 to 19 Years	4,845	
20 to 24 Years	3,978	
25 to 34 Years	7,728	
35 to 44 Years	10,324	
45 to 54 Years	10,715	
55 to 59 Years	3,846	
60 to 64 Years	3,738	
65 to 74 Years	6,783	
75 to 84 Years	4,907	
85 Years and Over	1,448	

Median Age	41.6	
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Under 18 Years	16,631	
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Percent of Total Population	23.6%	
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65 Years and Over	13,139	
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Percent of Total Population	18.6%	
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Year		Population (1)
2004		71,420
2003		71,888
2002		72,402
2001		72,855
2000		73,894
1999		73,662
1998		74,558
1997		76,014
1996		77,037
1995		77,968

Sources: (1) U.S. Census Bureau
 (2) Social and Economic Trend Analysis

JEFFERSON COUNTY, OHIO

Ten Largest Employers

December 31, 2005

<u>Ten Largest Employers</u>	<u>Nature of Business</u>	<u>Employees</u>
Wheeling-Pittsburgh Steel Corporation	Steel	3,375
Mittal Steel	Steel	1,890
Trinity Health Systems	Health Care	1,840
Wal-Mart Distribution Center	Retail Product Distribution	665
Titanium Metals Corporation	Titanium Mill Products	485
Wal-Mart	Retail Sales	453
Franciscan University of Steubenville	Higher Education	428
FirstEnergy	Utility	421
Jefferson Community College	Higher Education	280
American Electric Power	Power Generation	240

Source: Ohio Industrial Directory and Jefferson County Auditor's Office

JEFFERSON COUNTY, OHIO
Property Value, Construction and Bank Deposits
Last Ten Years

Collection Year	Real Property Value		
	Agricultural/ Residential	Commercial/ Industrial	Total Value (1)
2005	\$611,101,090	\$173,276,670	\$784,377,760
2004	606,057,200	167,652,290	773,709,490
2003	561,336,380	153,988,400	715,324,780
2002	558,299,540	150,979,270	709,278,810
2001	557,811,710	148,574,090	706,385,800
2000	437,500,420	138,607,210	576,107,630
1999	431,203,490	138,230,170	569,433,660
1998	426,309,620	137,045,470	563,355,090
1997	385,324,580	134,861,230	520,185,810
1996	384,547,290	135,011,170	519,558,460

(1) Does not include Public Utility Real Property and Mineral Land and Rights

Sources: Jefferson County Auditor
 Federal Deposit Insurance Agency

New Construction			Bank Deposits
Residential	Industrial	Total New Construction	
\$6,013,840	\$2,378,290	\$8,392,130	\$957,729,000
4,532,540	4,683,380	9,215,920	942,394,000
4,376,930	3,798,490	8,175,420	950,499,000
4,474,960	2,360,720	6,835,680	930,041,000
5,699,450	2,054,480	7,753,930	913,259,000
6,431,540	1,353,710	7,785,250	910,791,000
4,881,840	1,351,330	6,233,170	904,951,000
2,659,230	1,334,170	3,993,400	896,436,000
1,782,740	717,280	2,500,020	909,721,000
1,782,740	1,644,280	3,427,020	884,969,000

JEFFERSON COUNTY, OHIO

Principal Property Taxpayers

December 31, 2005

<u>Taxpayers</u>	<u>Type of Business</u>	<u>Real Estate Assessed Valuation</u>	<u>Tangible Personal Property Assessed Valuation</u>
First Energy (formerly Ohio Edison)	Electric Utility	\$99,161,710	\$0
Ohio Power Company	Electric Utility	67,738,850	0
Buckeye Power Company	Electric Utility	60,899,060	0
Wheeling-Pittsburgh Steel Corporation	Steel Manufacturing	7,558,050	51,969,380
Titanium Metals Corporation of America	Metals Manufacturing	1,177,760	17,757,140
Wal-Mart Stores	Retail Property	4,630,080	7,662,680
Fort Steuben Improvements	Retail Property	9,954,480	0
Cleveland Electric	Electric Utility	9,382,650	0
Midwest Electrical Supply Company	Electric Supplies	0	7,629,810
Ohio Bell Telephone Company	Telephone Company	<u>5,385,540</u>	<u>0</u>
		<u>\$265,888,180</u>	<u>\$85,019,010</u>

Source: Jefferson County Auditor's Office

<u>Total Assessed Valuation</u>	<u>Percent of Total County Assessed Valuation</u>
\$99,161,710	8.77%
67,738,850	5.99%
60,899,060	5.39%
59,527,430	5.26%
18,934,900	1.67%
12,292,760	1.09%
9,954,480	0.88%
9,382,650	0.83%
7,629,810	0.67%
<u>5,385,540</u>	<u>0.48%</u>
<u><u>\$350,907,190</u></u>	<u><u>31.03%</u></u>

JEFFERSON COUNTY, OHIO

Miscellaneous Statistics

December 31, 2005

Date of Incorporation	1797
36th Largest County in the State of Ohio (1)	88 Counties in Ohio
County Seat	Steubenville, Ohio
Area - Square Miles	409.6
Number of Political Subdivisions Located in the County: (2)	
Cities	2
Villages	17
Townships	14
School Districts	7
Vocational School Districts	3
Fire District	1
Colleges:	
Jefferson Community College	1
Universities:	
Franciscan University	1
Lane Miles (3)	
U.S. Highways	18.95
State Highways	153.65
County Highways	526
Township Roads	894
Communications	
3 Radio Stations - WDIG 95-AM; WSTV 1340-AM; WRKY 103.5-FM	
3 Daily Newspapers - The Herald Star; Intelligencer; Times Leader	
Voter Statistics, Election of November , 2005 (4)	
Number of Registered Voters	47,883
Number of Voters, Last General Election	22,743
Percentage of Voters Voting	47.50%

Sources:

- (1) U.S. Bureau of the Census
- (2) Jefferson County Auditor
- (3) Jefferson County Engineer's Office and Ohio Department of Development
- (4) Jefferson County Board of Elections



**Auditor of State
Betty Montgomery**

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P.O. Box 1140
Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

FINANCIAL CONDITION

JEFFERSON 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
OCTOBER 23, 2006**