

Jefferson County, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2006

Prepared by the Jefferson County Auditor's Office:

Patrick J. Marshall
Jefferson County Auditor

Jefferson County, Ohio

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Introductory Section

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June 21, 2007

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, 2006. 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 tenth 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, 2006, 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 2005 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 2006 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 2006 population of 70,125 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. Within a 25 mile commuting distance of the County are East Liverpool City Hospital, located in East Liverpool, Ohio and Weirton Medical Center, 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 (covering 1,000 acres), 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, 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 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.

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. The company has also invested more than \$2 million in a PLC automation system designed to improve the operations at the plant. Recently, the company was awarded a \$3.26 million discretionary worker retraining grant designed to train workers to be more efficient and productive and to meet the needs of the steelmaker.

Other 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.

In recent years, the County has seen the opening of a number of new businesses including a Wal Mart food distribution center. The 880,000 square foot \$75 million project created approximately 600 new jobs, and services Wal-Mart stores within a 100 mile radius. Other new businesses that have opened in recent years include a Wal-Mart Supercenter, Lowes, Circuit City, Office Max, Krogers, Riesbecks and Applebees. In addition, the key components of the recent modernization project at the Fort Steuben Mall included new anchor stores for Macys, Sears and JC Penney.

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. Construction is currently underway on the State Route 43 widening project. Once completed, this project will provide even easier access to the industrial park from U.S. Route 22.

The industrial park is currently the home of QPI Tools and Wildfire Motors. Construction is underway and expected to be completed by mid 2007 on the R-Way Transport facility. Signs Unlimited is expected to break ground in the summer of 2007 on a new facility. JBS Technologies, the original occupant at the industrial park has recently ceased operations. However, it now appears that the company will reopen under new management at the original site in the industrial park.

Over the past several years, the County began to develop the County airport by enlarging the facility, lengthening the runway, and constructing new hangers. Over \$7 million in upgrades and improvements have been made to the facility. The facility now has the capability to allow larger sized private jets to land at the Airport. In addition, construction is expected to begin in 2007 on a new terminal and lounge building at the airport.

American Electric Power's Cardinal Power Plant, located in the Wells Township portion of the County, has made over \$300 million in improvements in recent years. The facility upgrades will help reduce nitrogen oxide emissions by 90%. Recently, plans were announced 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 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.

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.

Trinity Medical Center has seen the completion of a number of expansion projects over the past few years. These projects include the \$3.5 million Tony Teramana Cancer Center, a state-of-the-art cancer treatment facility, and a \$7 million 79,000 square foot patient care unit addition to Trinity's west campus. Construction is underway on a \$6 million office facility at the west campus. Construction on this facility is expected to be completed by mid 2007. Once the office facility is completed, construction is expected to begin on a \$7 million expansion project at the Tony Teramana Cancer Center.

Both Jefferson Community College and the Franciscan University of Steubenville, two post secondary educational institutions located within the County, continue to expand services and facilities. As enrollment has steadily increased, both institutions have purchased surrounding property and facilities in order to expand services and handle the increase in student enrollment.

LONG TERM FINANCIAL PLANNING

The rise in the local unemployment rate over the past few years 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. Fortunately, the County's sales tax revenues have remained fairly steady or have risen slightly in recent years. However, 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 the cost of 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 was 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. These projects were all completed by the end of 2006.

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 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. Construction is currently underway on the State Route 43 widening project. Once completed, this project will provide even easier access to the industrial park from U.S. Route 22. Local officials believe that this widening project will help entice additional business into the industrial park.

Airport

The County recently completed a multi phase airport expansion project. Over \$7 million in upgrades and improvements have been made to enlarge the facility, lengthen the runway, and construct new hangers. The facility now has the capability to allow larger sized private jets to land at the Airport. In addition, construction is expected to begin in 2007 on a new terminal and lounge building at the airport.

Road and Bridge Improvement

In late 2000, the County, through the County Engineer's Office, completed a \$5.3 million accelerated road and bridge improvement program throughout the County. This project 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 was 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, Children Services, the Prosecuting Attorney's Office, Progress Alliance, the Brooke-Hancock-Jefferson Planning Commission, and the Jefferson-Belmont Joint Solid Waste Authority.

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 Crestview-Belvedere Sanitary Sewer project and the Sunshine Park Sanitary Sewer project, as well as a number of other smaller projects. Each of these projects will be completed through a combination of O.P.W.C. grants, O.P.W.C. loans, O.W.D.A. loans, and note issuances.

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, 2005. This was the ninth 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,

A handwritten signature in black ink that reads "Patrick J. Marshall". The signature is written in a cursive style with a large, prominent initial "P".

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, 2005

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



A handwritten signature in black ink, appearing to read "Ronald J. Blum".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

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

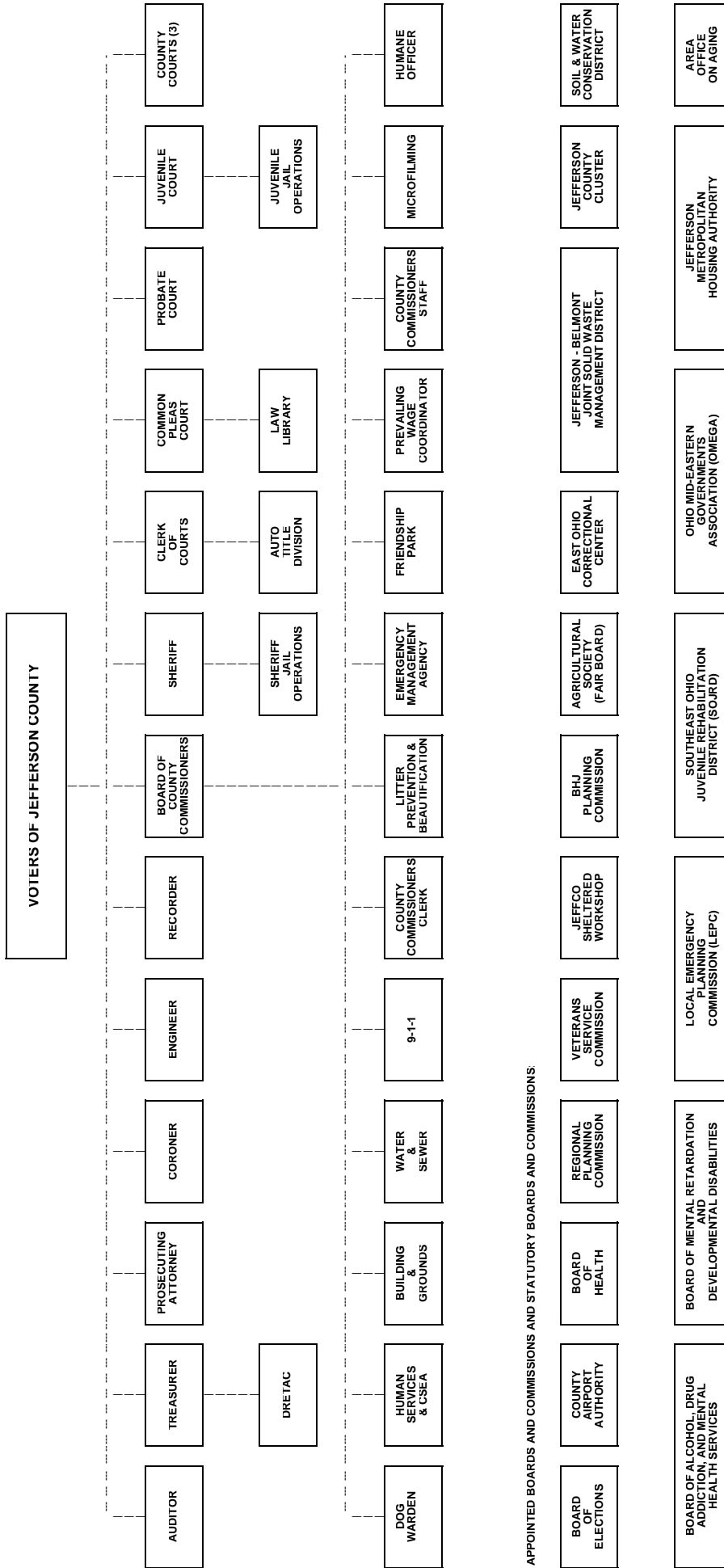
Nicholas S. Balakos, Director
Department of Job and Family Services and Children Services

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:

CARNEGIE LIBRARY

BOARDS AND COMMISSIONS COMPOSED OF ELECTED OFFICIALS:

- BOARD ELECTIONS
- COUNTY BOARD OF HEALTH
- REGIONAL PLANNING COMMISSION
- VETERANS SERVICE COMMISSION
- JEFFCO SHELTERED WORKSHOP
- PLANNING COMMISSION
- AGRICULTURAL MANAGEMENT (FAIR BOARD)
- EAST OHIO COMMERCIAL CENTER
- JEFFERSON - BELMONT MANAGEMENT DISTRICT
- JEFFERSON METROPOLITAN CLUSTER
- SOIL & WATER CONSERVATION DISTRICT
- BOARD OF ALCOHOL, DRUG ADDICTION, AND MENTAL HEALTH SERVICES
- BOARD OF MENTAL RETARDATION AND DEVELOPMENTAL DISABILITIES
- LOCAL EMERGENCY PLANNING COMMISSION (LEPC)
- SOUTHEAST OHIO JUVENILE REHABILITATION DISTRICT (SOJRD)
- OHIO MID-EASTERN GOVERNMENTS ASSOCIATION (OMEGA)
- JEFFERSON METROPOLITAN HOUSING AUTHORITY
- AREA OFFICE ON AGING
- DATA RECEIVING BOARD
- COUNTY REVENUE COMMISSION
- BOARD OF REVISION
- BUDGET COMMISSION
- MICROFILM BOARD

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Financial Section



Mary Taylor, CPA

Auditor of State

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, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Jeffco Workshop, which represent 100% of assets and 100% of the revenues for the discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for 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. The other auditors audited the financial statements of Jeffco Workshop in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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 the Jefferson County, Ohio, as of December 31, 2006, 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 for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We 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.



Mary Taylor, CPA
Auditor of State

June 21, 2007

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2006
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, 2006. 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 2006 are as follows:

The County's total net assets increased by \$5,763,218, which represents a 4.80% increase from 2005.

At the end of the current year, the County reported unrestricted net assets for governmental activities of \$149,640. This represents an increase of \$3,675,905 from the prior year. This is the result of changes the County Commissioners have made to the County's Self Insurance Fund to eliminate the fund deficit. To eliminate 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 \$17,296,188, an increase of \$1,191,584 from the prior year. Of this amount, \$15,736,009 is available for spending (unreserved undesignated fund balance) on behalf of its citizens.

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, 2006
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 2006?" 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, 2006
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 workers' compensation program.

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

Notes to the 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, 2006
Unaudited

Government-Wide Financial Analysis

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

Table 1
Net Assets

| | Governmental Activities | | Business-Type Activities | | Totals | |
|-------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Assets | | | | | | |
| Current and Other Assets | \$45,628,704 | \$44,339,306 | \$3,791,045 | \$5,286,639 | \$49,419,749 | \$49,625,945 |
| Capital Assets, Net | 92,397,576 | 90,883,217 | 41,448,263 | 40,298,036 | 133,845,839 | 131,181,253 |
| Total Assets | <u>138,026,280</u> | <u>135,222,523</u> | <u>45,239,308</u> | <u>45,584,675</u> | <u>183,265,588</u> | <u>180,807,198</u> |
| Liabilities | | | | | | |
| Current and Other Liabilities | 15,308,937 | 15,528,965 | 1,110,410 | 1,749,348 | 16,419,347 | 17,278,313 |
| Long-Term Liabilities | 31,684,613 | 33,741,673 | 15,061,571 | 15,450,373 | 46,746,184 | 49,192,046 |
| Total Liabilities | <u>46,993,550</u> | <u>49,270,638</u> | <u>16,171,981</u> | <u>17,199,721</u> | <u>63,165,531</u> | <u>66,470,359</u> |
| Net Assets | | | | | | |
| Invested in Capital Assets, | | | | | | |
| Net of Debt | 66,576,876 | 63,347,036 | 25,914,607 | 24,312,154 | 92,491,483 | 87,659,190 |
| Restricted | 24,306,214 | 26,131,114 | 346,811 | 387,964 | 24,653,025 | 26,519,078 |
| Unrestricted | 149,640 | (3,526,265) | 2,805,909 | 3,684,836 | 2,955,549 | 158,571 |
| Total Net Assets | <u>\$91,032,730</u> | <u>\$85,951,885</u> | <u>\$29,067,327</u> | <u>\$28,384,954</u> | <u>\$120,100,057</u> | <u>\$114,336,839</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 \$120,100,057 (\$91,032,730 in governmental activities and \$29,067,327 in business-type activities) as of December 31, 2006. By far, the largest portion of the County's net assets (77.01 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, \$24,653,025 or 20.53 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, \$2,955,549 or 2.46 percent are to be used to meet the County's ongoing obligations to citizens and creditors. This modest total in unrestricted net assets is the result of changes to the County's health insurance program. These changes have been decreasing the deficit in the Health Self Insurance Fund. The County Commissioners have increased monthly premium charges and have made significant changes to the plan guidelines in order to alleviate a past deficit and to increase total unrestricted net assets in that fund.

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

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

Table 2
Changes in Net Assets

| | Governmental Activities | | Business-Type Activities | | Totals | |
|------------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2006 | 2005 | 2006 | 2005 | 2006 | 2005 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$9,393,361 | \$8,244,008 | \$5,813,423 | \$5,933,965 | \$15,206,784 | \$14,177,973 |
| Operating Grants and Contributions | 37,859,912 | 41,118,887 | 0 | 0 | 37,859,912 | 41,118,887 |
| Capital Grants and Contributions | 239,643 | 772,694 | 457,678 | 352,582 | 697,321 | 1,125,276 |
| Total Program Revenues | 47,492,916 | 50,135,589 | 6,271,101 | 6,286,547 | 53,764,017 | 56,422,136 |
| General Revenues: | | | | | | |
| Property Taxes | 10,335,470 | 10,320,848 | 0 | 0 | 10,335,470 | 10,320,848 |
| Permissive Sales Taxes | 9,509,416 | 9,214,845 | 245,385 | 237,232 | 9,754,801 | 9,452,077 |
| Intergovernmental | 2,873,786 | 2,604,999 | 0 | 0 | 2,873,786 | 2,604,999 |
| Interest | 947,993 | 539,569 | 0 | 7,814 | 947,993 | 547,383 |
| Miscellaneous | 1,109,974 | 1,100,238 | 20,180 | 61,380 | 1,130,154 | 1,161,618 |
| Total General Revenues | 24,776,639 | 23,780,499 | 265,565 | 306,426 | 25,042,204 | 24,086,925 |
| Total Revenues | 72,269,555 | 73,916,088 | 6,536,666 | 6,592,973 | 78,806,221 | 80,509,061 |
| Program Expenses | | | | | | |
| General Government | | | | | | |
| Legislative and Executive | 5,853,638 | 5,174,809 | 0 | 0 | 5,853,638 | 5,174,809 |
| Judicial | 3,465,112 | 3,101,127 | 0 | 0 | 3,465,112 | 3,101,127 |
| Public Safety | 9,640,492 | 9,831,505 | 0 | 0 | 9,640,492 | 9,831,505 |
| Public Works | 7,710,983 | 10,367,211 | 0 | 0 | 7,710,983 | 10,367,211 |
| Health | 16,649,240 | 15,679,298 | 0 | 0 | 16,649,240 | 15,679,298 |
| Human Services | 20,598,279 | 18,193,754 | 0 | 0 | 20,598,279 | 18,193,754 |
| Conservation and | | | | | | |
| Recreation | 13,168 | 165,819 | 0 | 0 | 13,168 | 165,819 |
| Economic Development | 1,343,160 | 652,632 | 0 | 0 | 1,343,160 | 652,632 |
| Intergovernmental | 116,436 | 82,500 | 0 | 0 | 116,436 | 82,500 |
| Interest and Fiscal Charges | 1,798,202 | 1,726,050 | 0 | 0 | 1,798,202 | 1,726,050 |
| Sewer | 0 | 0 | 1,742,699 | 1,390,462 | 1,742,699 | 1,390,462 |
| Water | 0 | 0 | 4,111,594 | 4,244,726 | 4,111,594 | 4,244,726 |
| Total Expenses | 67,188,710 | 64,974,705 | 5,854,293 | 5,635,188 | 73,043,003 | 70,609,893 |
| Change in Net Assets | 5,080,845 | 8,941,383 | 682,373 | 957,785 | 5,763,218 | 9,899,168 |
| Beginning Net Assets | 85,951,885 | 77,010,502 | 28,384,954 | 27,427,169 | 114,336,839 | 104,437,671 |
| Ending Net Assets | \$91,032,730 | \$85,951,885 | \$29,067,327 | \$28,384,954 | \$120,100,057 | \$114,336,839 |

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

Governmental Activities

Operating grants and contributions were the largest program revenues, accounting for \$37,859,912 or 52.39 percent of total governmental revenues. This represents a decrease of \$3,258,975 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 Motor Vehicle Gas Tax and Mental Retardation and Developmental Disabilities realized the most significant decreases in operating grants and contributions as compared with the prior year.

Property tax revenues account for \$10,335,470 or 14.30 percent of total governmental revenues. Another major component of general governmental revenues was permissive sales tax revenues, which accounted for \$9,509,416 or 13.16 percent of total governmental revenues. Permissive sales tax revenues experienced a moderate increase from the prior year (\$294,571) due to increased sales in the County, while property tax revenues experienced a slight increase from the prior year (\$14,622).

The County's direct charges to users of governmental services made up \$9,393,361 or 13.00 percent of total governmental revenues. These charges are for fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits. Charges for services increased \$1,149,353 from the prior year.

Human services programs accounted for \$20,598,279, or 30.66 percent of total expenses for governmental activities. This represents an increase of \$2,404,525 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 \$16,649,240, or 24.78 percent of total expenses, public safety programs, which accounted for \$9,640,492, or 14.35 percent of total expenses and public works programs, which accounted for \$7,710,983, or 11.48 percent of total expenses.

Public works program expenses decreased \$2,656,228 from the prior year. This decrease is the result of a reduction in the number of public works projects completed during 2006. During 2005, federal and state funding was provided for a significant number of flood repair projects.

Business-Type Activities

The net assets for business-type activities increased by \$682,373 during 2006. Charges for services were the largest program revenue, accounting for \$5,813,423, or 88.94 percent of total business type revenues. Charges for services decreased \$120,542 from the prior year. This decrease is due to a reduction in water usage by County customers.

Capital grants and contributions account for \$457,678, or 7.00 percent of total business type revenues. Capital grants and contributions increased \$105,096 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, 2006
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

| | <u>Total Cost of Services</u> | | <u>Net Cost of Services</u> | |
|-------------------------------------|-------------------------------|---------------------|-----------------------------|---------------------|
| | 2006 | 2005 | 2006 | 2005 |
| General Government | | | | |
| Legislative and Executive | \$5,853,638 | \$5,174,809 | \$3,020,279 | \$1,266,673 |
| Judicial | 3,465,112 | 3,101,127 | 1,918,575 | 2,006,433 |
| Public Safety | 9,640,492 | 9,831,505 | 4,302,084 | 4,352,282 |
| Public Works | 7,710,983 | 10,367,211 | 1,777,871 | 3,266,325 |
| Health | 16,649,240 | 15,679,298 | 2,301,500 | 1,063,275 |
| Human Services | 20,598,279 | 18,193,754 | 3,908,778 | 1,489,150 |
| Conservation and Recreation | 13,168 | 165,819 | 13,168 | 165,819 |
| Economic Development and Assistance | 1,343,160 | 652,632 | 538,901 | (579,391) |
| Intergovernmental | 116,436 | 82,500 | 116,436 | 82,500 |
| Interest and Fiscal Charges | 1,798,202 | 1,726,050 | 1,798,202 | 1,726,050 |
| Total Expenses | <u>\$67,188,710</u> | <u>\$64,974,705</u> | <u>\$19,695,794</u> | <u>\$14,839,116</u> |

Charges for services, operating grants, and capital grants of \$47,492,916, or 70.69 percent of the total costs of services, are received and used to fund the general government expenses of the County. The remaining \$19,695,794 in general government expenses is funded by property taxes, permissive sales taxes, non-restricted intergovernmental revenues, interest, and miscellaneous revenues.

The \$3,908,778 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 programs.

The \$2,301,500 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 \$4,302,084 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, 2006
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, 2006, the County's governmental funds reported a combined ending fund balance of \$17,296,188, an increase of \$1,191,584 in comparison with the prior year. Approximately \$15,736,009, or 90.98 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 discretionary spending. Of the reserved amount, \$43,577 has been committed to liquidate contracts and purchase orders of the prior year, \$954,732 has been reserved for endowments for the childrens home, and \$519,411 has been reserved for claimants. The County has designated \$42,459 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 2006, unreserved fund balance was \$2,946,670, while total fund balance was \$3,535,934. 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 28.69 percent to total General Fund expenditures, while total fund balance represents 34.42 percent of that same amount. The fund balance of the County's General Fund increased by \$593,889 during 2006. 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 2006 is \$2,128,136, which increased \$932,955 during 2006. The increase was due primarily to the receipt of numerous FEMA road slip repair project reimbursements 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, 2006, net assets for the County's enterprise funds were \$29,067,327. Of that total, \$2,805,909 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, 2006
Unaudited

As of December 31, 2006, unrestricted net assets in the self-insurance programs were \$677,646. This represents an increase in unrestricted net assets of \$3,002,115 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, 2006, were \$133,845,839 (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 2006 included the construction of a new 911 building and various other building improvements at a total cost of \$1,913,574, the replacement of 3 bridges at a cost of \$333,665 and 20.1 miles of road resurfacing at a cost of \$1,196,927.

For business-type activities, major capital asset additions during 2006 included the completion of various waterline extension projects, including the State Route 646 Waterline, the State Route 43 Waterline Relocation, and the Bergholz Waterline. In addition, the County acquired the Village of Bergholz water system.

Note 10 (Capital Assets) provides capital asset activity during 2006.

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

Long Term Debt - As of December 31, 2006, the County had total general obligation bonded debt outstanding principal of \$28,780,048. The majority of this debt (\$25,155,086) is expected to be repaid through governmental activities. The remaining portion (\$3,624,962) 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 \$1,530,746 (5.05 percent) during 2006. Other outstanding long-term debt included O.W.D.A. loans of \$3,695,803, O.P.W.C. loans of \$866,247, O.E.P.A. loans of \$6,856,377, long term notes payable of \$1,688,920, S.I.B. loans of \$108,915, capital leases payable of \$530,874 and SBC loans payable of \$104,790.

Moody's Investors Services, Inc. has assigned an underlying rating of "Baa3" to the outstanding general obligation debt of the County. However, an 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 18 of this report.

The County has issued several long term notes payable, all of which are backed by the full faith and credit of the County. During 2006, the County fully repaid a tax anticipation note in the amount of \$153,564 that was issued for geographical information systems. Also during 2006, the County refinanced two revenue anticipation notes. On April 28, 2006, revenue anticipation notes were issued in the amount of \$145,200. These notes were issued to refinance a jet fuel tank loan at the County Airpark. On April 28, 2006, revenue anticipation notes were issued in the amount of \$186,389. These notes were issued to refinance a runway extension at the County Airpark. On November 2, 2006, various purpose bond anticipation notes were issued in the amount of \$750,000. These notes were issued for sanitary sewer projects. All of the notes were issued with a fixed interest rate. Note 18 and Note 19 provide information regarding notes.

Economic Factors

The unemployment rate for the County is currently 6.6 percent, which is a slight decrease from 7.8 percent a year ago. This rate exceeds the state's current rate of 5.4 percent and the current national rate of 4.3 percent. The decrease demonstrates a slight upturn in the local economy, despite the uncertainty surrounding the local steel industry.

The County's \$1.117 billion tax base has increased 10.08 percent over the last five years. This increase is attributed to 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 2007 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.

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

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.

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

| | Primary Government | | | Component Unit |
|--|----------------------------|-----------------------------|----------------------|--------------------|
| | Governmental Activities | Business Type Activities | Total | |
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$11,119,448 | \$2,469,183 | \$13,588,631 | \$0 |
| Cash and Cash Equivalents in Segregated Accounts | 831,993 | 0 | 831,993 | 189,238 |
| Accounts Receivable | 1,350,388 | 826,277 | 2,176,665 | 21,880 |
| Permissive Sales Taxes Receivable | 1,557,927 | 39,941 | 1,597,868 | 0 |
| Internal Balances | 82,852 | (82,852) | 0 | 0 |
| Accrued Interest Receivable | 101,600 | 0 | 101,600 | 0 |
| Intergovernmental Receivable | 11,754,000 | 0 | 11,754,000 | 0 |
| Cash and Cash Equivalents with Fiscal Agents | 5,517,421 | 18,197 | 5,535,618 | 0 |
| Prepaid Items | 250,568 | 23,549 | 274,117 | 530 |
| Materials and Supplies Inventory | 447,149 | 4,203 | 451,352 | 9,295 |
| Property Taxes Receivable | 11,556,301 | 0 | 11,556,301 | 0 |
| Investments with Fiscal Agents | 954,732 | 0 | 954,732 | 1,051,875 |
| Special Assessments Receivable | 0 | 405,044 | 405,044 | 0 |
| Deferred Charges | 104,325 | 87,503 | 191,828 | 0 |
| Non-Depreciable Capital Assets | 5,023,572 | 1,739,383 | 6,762,955 | 0 |
| Depreciable Capital Assets, Net | 87,374,004 | 39,708,880 | 127,082,884 | 55,207 |
| <i>Total Assets</i> | <u>138,026,280</u> | <u>45,239,308</u> | <u>183,265,588</u> | <u>1,328,025</u> |
| Liabilities | | | | |
| Accounts Payable | 1,042,896 | 94,214 | 1,137,110 | 1,139 |
| Accrued Wages and Benefits | 730,641 | 26,437 | 757,078 | 15,606 |
| Contracts Payable | 495,802 | 29,725 | 525,527 | 0 |
| Intergovernmental Payable | 2,045,296 | 154,178 | 2,199,474 | 0 |
| Matured Severance Payable | 28,569 | 0 | 28,569 | 0 |
| Early Retirement Incentive Payable | 248,126 | 0 | 248,126 | 0 |
| Accrued Interest Payable | 121,963 | 55,856 | 177,819 | 0 |
| Notes Payable | 0 | 750,000 | 750,000 | 0 |
| Deferred Revenue | 10,079,939 | 0 | 10,079,939 | 0 |
| Retainage Payable | 50,152 | 0 | 50,152 | 0 |
| Claims Payable - Health | 465,553 | 0 | 465,553 | 0 |
| Long-Term Liabilities: | | | | |
| Due Within One Year | 3,041,966 | 1,043,169 | 4,085,135 | 0 |
| Due In More Than One Year | 28,642,647 | 14,018,402 | 42,661,049 | 0 |
| <i>Total Liabilities</i> | <u>46,993,550</u> | <u>16,171,981</u> | <u>63,165,531</u> | <u>16,745</u> |
| Net Assets | | | | |
| Invested in Capital Assets, Net of Related Debt | 66,576,876 | 25,914,607 | 92,491,483 | 55,207 |
| Restricted for: | | | | |
| Debt Service | 2,229,122 | 346,811 | 2,575,933 | 0 |
| Capital Outlay | 419,267 | 0 | 419,267 | 0 |
| Children's Home | 954,732 | 0 | 954,732 | 0 |
| Public Assistance | 508,258 | 0 | 508,258 | 0 |
| Motor Vehicle and Gasoline tax | 3,341,121 | 0 | 3,341,121 | 0 |
| Mental Health | 4,239,968 | 0 | 4,239,968 | 0 |
| Mental Retardation | 4,649,028 | 0 | 4,649,028 | 0 |
| Tuberculosis/Crippled Child Levy | 2,057,112 | 0 | 2,057,112 | 0 |
| Children Services | 578,448 | 0 | 578,448 | 0 |
| Other Purposes | 5,329,158 | 0 | 5,329,158 | 0 |
| Unrestricted | 149,640 | 2,805,909 | 2,955,549 | 1,256,073 |
| <i>Total Net Assets</i> | <u>\$91,032,730</u> | <u>\$29,067,327</u> | <u>\$120,100,057</u> | <u>\$1,311,280</u> |

See accompanying notes to the basic financial statements

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

| | Program Revenues | | | |
|---------------------------------------|---------------------|-----------------------------------|---------------------------------------|-------------------------------------|
| | Expenses | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental Activities | | | | |
| General Government: | | | | |
| Legislative and Executive | \$5,853,638 | \$2,709,336 | \$124,023 | \$0 |
| Judicial | 3,465,112 | 1,546,537 | 0 | 0 |
| Public Safety | 9,640,492 | 2,585,720 | 2,513,045 | 239,643 |
| Public Works | 7,710,983 | 339,725 | 5,593,387 | 0 |
| Health | 16,649,240 | 414,851 | 13,932,889 | 0 |
| Human Services | 20,598,279 | 1,702,390 | 14,987,111 | 0 |
| Conservation and Recreation | 13,168 | 0 | 0 | 0 |
| Economic Development and Assistance | 1,343,160 | 94,802 | 709,457 | 0 |
| Intergovernmental | 116,436 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 1,798,202 | 0 | 0 | 0 |
| <i>Total Governmental Activities</i> | <u>67,188,710</u> | <u>9,393,361</u> | <u>37,859,912</u> | <u>239,643</u> |
| Business Type Activities | | | | |
| Sewer | 1,742,699 | 1,072,189 | 0 | 0 |
| Water | 4,111,594 | 4,741,234 | 0 | 457,678 |
| <i>Total Business Type Activities</i> | <u>5,854,293</u> | <u>5,813,423</u> | <u>0</u> | <u>457,678</u> |
| <i>Total Primary Government</i> | <u>\$73,043,003</u> | <u>\$15,206,784</u> | <u>\$37,859,912</u> | <u>\$697,321</u> |
| Component Unit: | | | | |
| JeffCo. Workshop | <u>\$68,237</u> | <u>\$82,228</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
Emergency 911
Tuberculosis/Crippled Children
Children Services
Senior Citizens
Debt Service
Permissive Sales Taxes Levied for General Purposes
Permissive Sales Taxes Levied for:
Road and Bridge Improvements
Public Safety
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 - Restated (Note 3)

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 |
|----------------------------|-----------------------------|---------------|-------------------|
| (\$3,020,279) | \$0 | (\$3,020,279) | \$0 |
| (1,918,575) | 0 | (1,918,575) | 0 |
| (4,302,084) | 0 | (4,302,084) | 0 |
| (1,777,871) | 0 | (1,777,871) | 0 |
| (2,301,500) | 0 | (2,301,500) | 0 |
| (3,908,778) | 0 | (3,908,778) | 0 |
| (13,168) | 0 | (13,168) | 0 |
| (538,901) | 0 | (538,901) | 0 |
| (116,436) | 0 | (116,436) | 0 |
| (1,798,202) | 0 | (1,798,202) | 0 |
| (19,695,794) | 0 | (19,695,794) | 0 |
| 0 | (670,510) | (670,510) | 0 |
| 0 | 1,087,318 | 1,087,318 | 0 |
| 0 | 416,808 | 416,808 | 0 |
| (19,695,794) | 416,808 | (19,278,986) | 0 |
| 0 | 0 | 0 | 13,991 |
| 1,905,987 | 0 | 1,905,987 | 0 |
| 322,275 | 0 | 322,275 | 0 |
| 2,634,019 | 0 | 2,634,019 | 0 |
| 1,151,228 | 0 | 1,151,228 | 0 |
| 1,281,099 | 0 | 1,281,099 | 0 |
| 657 | 0 | 657 | 0 |
| 785,975 | 0 | 785,975 | 0 |
| 1,110,357 | 0 | 1,110,357 | 0 |
| 1,143,873 | 0 | 1,143,873 | 0 |
| 4,422,764 | 0 | 4,422,764 | 0 |
| 2,658,121 | 0 | 2,658,121 | 0 |
| 1,283,400 | 0 | 1,283,400 | 0 |
| 1,145,131 | 0 | 1,145,131 | 0 |
| 0 | 61,346 | 61,346 | 0 |
| 0 | 184,039 | 184,039 | 0 |
| 2,873,786 | 0 | 2,873,786 | 0 |
| 947,993 | 0 | 947,993 | 46,092 |
| 1,109,974 | 20,180 | 1,130,154 | 24,702 |
| 24,776,639 | 265,565 | 25,042,204 | 70,794 |
| 5,080,845 | 682,373 | 5,763,218 | 84,785 |
| 85,951,885 | 28,384,954 | 114,336,839 | 1,226,495 |
| \$91,032,730 | \$29,067,327 | \$120,100,057 | \$1,311,280 |

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

| | General | Public Assistance | Motor Vehicle Gasoline Tax | Mental Health | Mental Retardation Developmental Disabilities |
|--|--------------------|----------------------|----------------------------------|--------------------|--|
| Assets | | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$127,468 | \$1,107,079 | \$1,042,522 | \$844,305 | \$1,313,640 |
| Cash and Cash Equivalents in Segregated Accounts | 125,627 | 0 | 0 | 0 | 0 |
| Cash and Cash Equivalents with Fiscal Agents | 42,459 | 0 | 97,050 | 0 | 0 |
| Restricted Assets: | | | | | |
| Equity in Pooled Cash and Cash Equivalents | 519,411 | 0 | 0 | 0 | 0 |
| Investments with Fiscal Agents | 0 | 0 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 43,283 | 29,353 | 309,770 | 464 | 11,474 |
| Receivables: | | | | | |
| Property Taxes | 2,264,941 | 0 | 0 | 348,315 | 2,939,826 |
| Permissive Sales Taxes | 732,384 | 0 | 426,085 | 0 | 0 |
| Accounts | 307,711 | 740,606 | 122,672 | 3,800 | 0 |
| Intergovernmental | 1,471,538 | 783,203 | 2,005,088 | 2,617,619 | 2,078,645 |
| Interfund | 1,806,330 | 0 | 0 | 943,271 | 2,000,000 |
| Accrued Interest | 101,600 | 0 | 0 | 0 | 0 |
| Prepaid Items | 140,982 | 21,835 | 21,128 | 2,630 | 21,180 |
| <i>Total Assets</i> | <u>\$7,683,734</u> | <u>\$2,682,076</u> | <u>\$4,024,315</u> | <u>\$4,760,404</u> | <u>\$8,364,765</u> |
| Liabilities and Fund Balances | | | | | |
| Liabilities | | | | | |
| Accounts Payable | \$155,590 | \$78,668 | \$114,954 | \$137,250 | \$47,441 |
| Accrued Wages and Benefits | 131,752 | 133,940 | 63,207 | 11,303 | 181,335 |
| Contracts Payable | 0 | 0 | 115,184 | 0 | 0 |
| Matured Severance Payable | 6,089 | 14,429 | 0 | 0 | 0 |
| Retainage Payable | 0 | 0 | 0 | 0 | 0 |
| Interfund Payable | 165,401 | 235,564 | 80,639 | 10,045 | 203,191 |
| Intergovernmental Payable | 117,136 | 1,059,177 | 69,831 | 22,998 | 249,600 |
| Deferred Revenue | 3,571,832 | 97,115 | 1,452,364 | 2,905,386 | 4,671,804 |
| Early Retirement Incentive Payable | 0 | 248,126 | 0 | 0 | 0 |
| <i>Total Liabilities</i> | <u>4,147,800</u> | <u>1,867,019</u> | <u>1,896,179</u> | <u>3,086,982</u> | <u>5,353,371</u> |
| Fund Balances (Deficit) | | | | | |
| Reserved for Encumbrances | 27,394 | 0 | 14,490 | 0 | 0 |
| Reserved for Children's Home | 0 | 0 | 0 | 0 | 0 |
| Reserved for Claimants | 519,411 | 0 | 0 | 0 | 0 |
| Unreserved: | | | | | |
| Designated for Equipment | 42,459 | 0 | 0 | 0 | 0 |
| Undesignated, Reported in: | | | | | |
| General Fund | 2,946,670 | 0 | 0 | 0 | 0 |
| Special Revenue Funds | 0 | 815,057 | 2,113,646 | 1,673,422 | 3,011,394 |
| Debt Service Funds | 0 | 0 | 0 | 0 | 0 |
| Capital Projects Funds | 0 | 0 | 0 | 0 | 0 |
| <i>Total Fund Balances (Deficit)</i> | <u>3,535,934</u> | <u>815,057</u> | <u>2,128,136</u> | <u>1,673,422</u> | <u>3,011,394</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$7,683,734</u> | <u>\$2,682,076</u> | <u>\$4,024,315</u> | <u>\$4,760,404</u> | <u>\$8,364,765</u> |

See accompanying notes to the basic financial statements

| Jail Operating Levy | Other Governmental Funds | Total Governmental Funds |
|---------------------------|--------------------------------|--------------------------------|
| \$46,184 | \$6,070,592 | \$10,551,790 |
| 0 | 706,366 | 831,993 |
| 0 | 84,919 | 224,428 |
| 0 | 0 | 519,411 |
| 0 | 954,732 | 954,732 |
| 3,562 | 49,243 | 447,149 |
| 1,282,635 | 4,720,584 | 11,556,301 |
| 0 | 399,458 | 1,557,927 |
| 0 | 1,585 | 1,176,374 |
| 582,142 | 2,215,765 | 11,754,000 |
| 0 | 2,198,941 | 6,948,542 |
| 0 | 0 | 101,600 |
| 0 | 42,813 | 250,568 |
| <u>\$1,914,523</u> | <u>\$17,444,998</u> | <u>\$46,874,815</u> |
| \$135,722 | \$373,271 | \$1,042,896 |
| 72,542 | 136,562 | 730,641 |
| 0 | 380,618 | 495,802 |
| 729 | 7,322 | 28,569 |
| 0 | 50,152 | 50,152 |
| 2,835,751 | 1,064,275 | 4,594,866 |
| 50,027 | 87,407 | 1,656,176 |
| 1,517,130 | 6,515,768 | 20,731,399 |
| 0 | 0 | 248,126 |
| <u>4,611,901</u> | <u>8,615,375</u> | <u>29,578,627</u> |
| 0 | 1,693 | 43,577 |
| 0 | 954,732 | 954,732 |
| 0 | 0 | 519,411 |
| 0 | 0 | 42,459 |
| 0 | 0 | 2,946,670 |
| (2,697,378) | 5,182,142 | 10,098,283 |
| 0 | 2,271,789 | 2,271,789 |
| 0 | 419,267 | 419,267 |
| <u>(2,697,378)</u> | <u>8,829,623</u> | <u>17,296,188</u> |
| <u>\$1,914,523</u> | <u>\$17,444,998</u> | <u>\$46,874,815</u> |

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

Total Governmental Fund Balances \$17,296,188

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds 92,397,576

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

| | |
|-----------------------|-----------|
| Taxes | 1,486,911 |
| Intergovernmental | 8,692,232 |
| Fines and Forfeitures | 423,351 |
| Interest | 48,966 |

Total 10,651,460

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 677,646

Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds. 104,325

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 | 23,554,048 |
| Bond Premium | 122,744 |
| Capital Appreciation Bond Accretion | 1,478,294 |
| Compensated Absences | 2,307,990 |
| Accrued Interest Payable | 121,963 |
| Long-Term Notes Payable | 1,688,920 |
| OPWC Loans Payable | 42,268 |
| State Infrastructure Bank Loans Payable | 108,915 |
| SBC Loan | 104,790 |
| SBC Account Payable | 33,659 |
| Capital Leases | 530,874 |

Total (30,094,465)

Net Assets of Governmental Activities \$91,032,730

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, 2006

| | General | Public Assistance | Motor Vehicle Gasoline Tax | Mental Health | Mental Retardation Developmental Disabilities |
|---|--------------------|----------------------|----------------------------------|--------------------|--|
| Revenues | | | | | |
| Property Taxes | \$1,901,968 | \$0 | \$0 | \$321,189 | \$2,626,415 |
| Permissive Sales Taxes | 4,422,764 | 0 | 2,658,121 | 0 | 0 |
| Charges for Services | 2,601,111 | 1,654,533 | 7,541 | 0 | 222,789 |
| Licenses and Permits | 4,465 | 0 | 0 | 0 | 0 |
| Fines and Forfeitures | 376,277 | 0 | 40,371 | 0 | 0 |
| Intergovernmental | 3,011,880 | 12,078,931 | 5,230,229 | 7,673,511 | 6,515,464 |
| Interest | 660,361 | 0 | 6,415 | 0 | 0 |
| Rent | 0 | 0 | 0 | 63,483 | 0 |
| Other | 54,268 | 819,385 | 9,331 | 15,995 | 104,348 |
| <i>Total Revenues</i> | <u>13,033,094</u> | <u>14,552,849</u> | <u>7,952,008</u> | <u>8,074,178</u> | <u>9,469,016</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government: | | | | | |
| Legislative and Executive | 4,730,991 | 0 | 0 | 0 | 0 |
| Judicial | 3,634,044 | 0 | 0 | 0 | 0 |
| Public Safety | 240,962 | 0 | 0 | 0 | 0 |
| Public Works | 0 | 0 | 6,530,939 | 0 | 0 |
| Health | 185,971 | 0 | 0 | 7,992,727 | 8,741,339 |
| Human Services | 866,887 | 13,819,509 | 0 | 0 | 0 |
| Economic Development and Assistance | 0 | 0 | 0 | 0 | 0 |
| Other | 410,380 | 0 | 0 | 0 | 0 |
| Capital Outlay | 70,890 | 0 | 0 | 0 | 0 |
| Intergovernmental | 116,436 | 0 | 0 | 0 | 0 |
| Debt Service: | | | | | |
| Principal Retirement | 13,413 | 10,549 | 0 | 0 | 0 |
| Interest and Fiscal Charges | 2,398 | 6,026 | 16,154 | 0 | 0 |
| Interest on Capital Appreciation Bonds | 0 | 0 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>10,272,372</u> | <u>13,836,084</u> | <u>6,547,093</u> | <u>7,992,727</u> | <u>8,741,339</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>2,760,722</u> | <u>716,765</u> | <u>1,404,915</u> | <u>81,451</u> | <u>727,677</u> |
| Other Financing Sources (Uses): | | | | | |
| Transfers In | 0 | 25,150 | 0 | 0 | 0 |
| Notes Issued | 0 | 0 | 0 | 0 | 0 |
| Inception of Capital Lease | 110,290 | 0 | 0 | 0 | 0 |
| Transfers Out | <u>(2,277,123)</u> | <u>0</u> | <u>(471,960)</u> | <u>0</u> | <u>(350,000)</u> |
| Total Other Financing Sources (Uses) | <u>(2,166,833)</u> | <u>25,150</u> | <u>(471,960)</u> | <u>0</u> | <u>(350,000)</u> |
| <i>Net Change in Fund Balances</i> | 593,889 | 741,915 | 932,955 | 81,451 | 377,677 |
| <i>Fund Balances (Deficit) Beginning 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> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$3,535,934</u> | <u>\$815,057</u> | <u>\$2,128,136</u> | <u>\$1,673,422</u> | <u>\$3,011,394</u> |

See accompanying notes to the basic financial statements

| Jail Operating Levy | Other Governmental Funds | Total Governmental Funds |
|---------------------------|--------------------------------|--------------------------------|
| \$1,147,969 | \$4,311,967 | \$10,309,508 |
| 0 | 2,428,531 | 9,509,416 |
| 1,694,926 | 1,635,292 | 7,816,192 |
| 0 | 366,260 | 370,725 |
| 0 | 392,532 | 809,180 |
| 517,538 | 7,914,531 | 42,942,084 |
| 0 | 75,318 | 742,094 |
| 0 | 350,917 | 414,400 |
| 37 | 106,610 | 1,109,974 |
| <u>3,360,470</u> | <u>17,581,958</u> | <u>74,023,573</u> |
| 0 | 1,090,181 | 5,821,172 |
| 0 | 198,491 | 3,832,535 |
| 4,400,983 | 5,506,754 | 10,148,699 |
| 0 | 987,813 | 7,518,752 |
| 0 | 306,002 | 17,226,039 |
| 0 | 6,430,797 | 21,117,193 |
| 0 | 1,180,764 | 1,180,764 |
| 0 | 0 | 410,380 |
| 0 | 2,234,625 | 2,305,515 |
| 0 | 0 | 116,436 |
| 0 | 2,110,899 | 2,134,861 |
| 0 | 1,353,890 | 1,378,468 |
| 0 | 556,829 | 556,829 |
| <u>4,400,983</u> | <u>21,957,045</u> | <u>73,747,643</u> |
| <u>(1,040,513)</u> | <u>(4,375,087)</u> | <u>275,930</u> |
| 1,061,352 | 2,561,282 | 3,647,784 |
| 0 | 331,589 | 331,589 |
| 0 | 473,775 | 584,065 |
| 0 | (548,701) | (3,647,784) |
| <u>1,061,352</u> | <u>2,817,945</u> | <u>915,654</u> |
| 20,839 | (1,557,142) | 1,191,584 |
| <u>(2,718,217)</u> | <u>10,386,765</u> | <u>16,104,604</u> |
| <u>(\$2,697,378)</u> | <u>\$8,829,623</u> | <u>\$17,296,188</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, 2006

| | | |
|--|--------------------|---------------------------|
| Net Change in Fund Balances - Governmental Funds | | \$1,191,584 |
| <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 | 5,440,490 | |
| Current Year Depreciation | <u>(3,897,878)</u> | |
| Total | | 1,542,612 |
| Capital assets salvaged 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. | | (28,253) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund. | | |
| Taxes | 25,962 | |
| Intergovernmental | (1,968,743) | |
| Interest | 33,150 | |
| Fines and Forfeitures | <u>(17,136)</u> | |
| Total | | (1,926,767) |
| 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. | | (584,065) |
| 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. | | (331,589) |
| Repayments of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities | | |
| General Obligation Bonds | 1,115,000 | |
| Capital Appreciation Bonds | 173,171 | |
| Long-Term Notes Payable | 635,135 | |
| OPWC Loans Payable | 6,502 | |
| State Infrastructure Bank Loans Payable | 51,118 | |
| SBC Loan Payable | 53,056 | |
| SBC Account Payable | 16,830 | |
| ODOT Contract Payable | 15,790 | |
| Capital Leases | <u>153,935</u> | |
| Total | | 2,220,537 |
| Repayments of Capital Appreciation Bonds accretion is an expenditure in the governmental funds , but the repayment reduces long-term liabilities. | | 556,829 |
| 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 | (6,179) | |
| Accretion of Interest | <u>(414,213)</u> | |
| Total | | (420,392) |
| 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 | | (142,424) |
| 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 expense of the internal service funds are allocated among governmental activities. | | <u>3,002,115</u> |
| Change in Net Assets of Governmental Activities | | <u>\$5,080,845</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, 2006

| | <u>Budgeted Amounts</u> | | | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-------------------------|--------------------|---|
| | <u>Original</u> | <u>Final Budget</u> | <u>Actual</u> | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$1,581,449 | \$1,864,888 | \$1,864,888 | \$0 |
| Permissive Sales Taxes | 4,350,055 | 4,350,055 | 4,350,055 | 0 |
| Charges for Services | 2,451,170 | 2,601,111 | 2,601,111 | 0 |
| Licenses and Permits | 4,465 | 4,465 | 4,465 | 0 |
| Fines and Forfeitures | 166,193 | 363,150 | 363,150 | 0 |
| Intergovernmental | 2,858,973 | 2,982,928 | 2,982,928 | 0 |
| Interest | 640,407 | 640,407 | 640,407 | 0 |
| Other | 108,563 | 48,720 | 48,720 | 0 |
| Total Revenues | 12,161,275 | 12,855,724 | 12,855,724 | 0 |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| General Government - | | | | |
| Legislative and Executive | 5,124,733 | 5,144,194 | 4,706,354 | 437,840 |
| Judicial | 3,638,271 | 3,770,384 | 3,586,416 | 183,968 |
| Public Safety | 520,277 | 527,369 | 279,698 | 247,671 |
| Health | 183,353 | 186,380 | 185,448 | 932 |
| Human Services | 1,007,162 | 1,007,162 | 944,566 | 62,596 |
| Other | 449,786 | 417,016 | 412,080 | 4,936 |
| Intergovernmental | 116,436 | 116,436 | 116,436 | 0 |
| Total Expenditures | 11,040,018 | 11,168,941 | 10,230,998 | 937,943 |
| Excess of Revenues Over Expenditures | 1,121,257 | 1,686,783 | 2,624,726 | 937,943 |
| <u>Other Financing Sources (Uses)</u> | | | | |
| Advances Out | 0 | (112,000) | (112,000) | 0 |
| Transfers In | 1,631 | 0 | 0 | 0 |
| Transfers Out | (2,224,776) | (2,234,776) | (2,251,973) | (17,197) |
| Total Other Financing Sources (Uses) | (2,223,145) | (2,346,776) | (2,363,973) | (17,197) |
| Net Change in Fund Balance | (1,101,888) | (659,993) | 260,753 | 920,746 |
| Fund Balance Beginning of Year | 1,588,512 | 1,588,512 | 1,588,512 | 0 |
| Prior Year Encumbrances Appropriated | 129,208 | 129,208 | 129,208 | 0 |
| Fund Balance End of Year | \$615,832 | \$1,057,727 | \$1,978,473 | \$920,746 |

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, 2006

| | <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 | \$1,654,533 | \$1,654,533 | \$1,654,533 | \$0 |
| Intergovernmental | 13,388,161 | 11,961,134 | 11,961,134 | 0 |
| Other | 382,207 | 819,385 | 819,385 | 0 |
| Total Revenues | <u>15,424,901</u> | <u>14,435,052</u> | <u>14,435,052</u> | <u>0</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Human Services | <u>15,424,901</u> | <u>16,275,409</u> | <u>13,594,845</u> | <u>2,680,564</u> |
| Net Change in Fund Balance | 0 | (1,840,357) | 840,207 | 2,680,564 |
| Fund Balance Beginning of Year | <u>266,872</u> | <u>266,872</u> | <u>266,872</u> | <u>0</u> |
| Fund Balance (Deficit) End of Year | <u>\$266,872</u> | <u>(\$1,573,485)</u> | <u>\$1,107,079</u> | <u>\$2,680,564</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 Gasoline Tax Fund
For the Year Ended December 31, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | Variance with Final Budget Positive (Negative) |
|---|----------------------------|-------------------------|-------------------------|---|
| | <u>Original Budget</u> | <u>Final Budget</u> | | |
| <u>Revenues:</u> | | | | |
| Permissive Sales Taxes | \$2,421,711 | \$2,617,908 | \$2,617,908 | \$0 |
| Charges for Services | 0 | 7,541 | 7,541 | 0 |
| Fines and Forfeitures | 41,347 | 40,371 | 40,371 | 0 |
| Intergovernmental | 4,205,941 | 5,264,824 | 5,264,824 | 0 |
| Interest | 6,415 | 6,415 | 6,415 | 0 |
| Other | 26,771 | 9,331 | 9,331 | 0 |
| Total Revenues | <u>6,702,185</u> | <u>7,946,390</u> | <u>7,946,390</u> | <u>0</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Public Works | <u>6,363,848</u> | <u>7,164,043</u> | <u>6,692,433</u> | <u>471,610</u> |
| Debt Service: | | | | |
| Principal Retirement | 500,000 | 500,000 | 500,000 | 0 |
| Interest and Fiscal Charges | <u>15,000</u> | <u>17,775</u> | <u>17,775</u> | <u>0</u> |
| Total Debt Service | <u>515,000</u> | <u>517,775</u> | <u>517,775</u> | <u>0</u> |
| Total Expenditures | <u>6,878,848</u> | <u>7,681,818</u> | <u>7,210,208</u> | <u>471,610</u> |
| Excess of Revenues Over (Under) Expenditures | <u>(176,663)</u> | <u>264,572</u> | <u>736,182</u> | <u>471,610</u> |
| <u>Other Financing Sources (Uses):</u> | | | | |
| Transfers In | 159,861 | 159,861 | 159,861 | 0 |
| Transfers Out | <u>(471,960)</u> | <u>(471,960)</u> | <u>(471,960)</u> | <u>0</u> |
| Total Other Financing Sources (Uses) | <u>(312,099)</u> | <u>(312,099)</u> | <u>(312,099)</u> | <u>0</u> |
| Net Change in Fund Balance | (488,762) | (47,527) | 424,083 | 471,610 |
| Fund Balance Beginning of Year | 437,207 | 437,207 | 437,207 | 0 |
| Prior Year Encumbrances Appropriated | <u>133,400</u> | <u>133,400</u> | <u>133,400</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$81,845</u></u> | <u><u>\$523,080</u></u> | <u><u>\$994,690</u></u> | <u><u>\$471,610</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 Health Fund
For the Year Ended December 31, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--------------------------------|----------------------------|---------------------------|---------------------------|---|
| | <u>Original Budget</u> | <u>Final Budget</u> | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$309,434 | \$319,578 | \$319,578 | \$0 |
| Intergovernmental | 6,890,879 | 7,799,483 | 7,799,483 | 0 |
| Rent | 65,550 | 65,550 | 65,550 | 0 |
| Other | 8,800 | 15,995 | 15,995 | 0 |
| Total Revenues | <u>7,274,663</u> | <u>8,200,606</u> | <u>8,200,606</u> | <u>0</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Health | <u>7,273,737</u> | <u>8,273,737</u> | <u>7,893,930</u> | <u>379,807</u> |
| Net Change in Fund Balance | 926 | (73,131) | 306,676 | 379,807 |
| Fund Balance Beginning of Year | <u>1,472,713</u> | <u>1,472,713</u> | <u>1,472,713</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$1,473,639</u></u> | <u><u>\$1,399,582</u></u> | <u><u>\$1,779,389</u></u> | <u><u>\$379,807</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 Developmental Disabilities Fund
For the Year Ended December 31, 2006

| | <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 | \$2,593,724 | \$2,606,063 | \$2,606,063 | \$0 |
| Charges for Services | 223,000 | 222,789 | 222,789 | 0 |
| Intergovernmental | 6,165,741 | 6,556,260 | 6,556,260 | 0 |
| Other | 8,850 | 104,348 | 104,348 | 0 |
| Total Revenues | <u>8,991,315</u> | <u>9,489,460</u> | <u>9,489,460</u> | <u>0</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Health | 8,825,868 | 9,044,113 | 8,590,952 | 453,161 |
| Excess of Revenues Over Expenditures | 165,447 | 445,347 | 898,508 | 453,161 |
| <u>Other Financing Use:</u> | | | | |
| Transfers Out | (50,000) | (350,000) | (350,000) | 0 |
| Net Change in Fund Balance | 115,447 | 95,347 | 548,508 | 453,161 |
| Fund Balance Beginning of Year | <u>2,661,685</u> | <u>2,661,685</u> | <u>2,661,685</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$2,777,132</u></u> | <u><u>\$2,757,032</u></u> | <u><u>\$3,210,193</u></u> | <u><u>\$453,161</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
Jail Operating Levy Fund
For the Year Ended December 31, 2006

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|----------------------------|-------------------------|----------------------|---|
| | <u>Original Budget</u> | <u>Final Budget</u> | | |
| <u>Revenues:</u> | | | | |
| Property Taxes | \$1,125,483 | \$1,138,883 | \$1,138,883 | \$0 |
| Charges for Services | 1,653,276 | 1,678,707 | 1,674,800 | (3,907) |
| Intergovernmental | 405,215 | 517,698 | 517,698 | 0 |
| Other | 37 | 37 | 37 | 0 |
| Total Revenues | <u>3,184,011</u> | <u>3,335,325</u> | <u>3,331,418</u> | <u>(3,907)</u> |
| <u>Expenditures:</u> | | | | |
| Current: | | | | |
| Public Safety | <u>4,312,080</u> | <u>4,374,174</u> | <u>4,376,936</u> | <u>(2,762)</u> |
| Excess of Revenues Under Expenditures | (1,128,069) | (1,038,849) | (1,045,518) | (6,669) |
| <u>Other Financing Source:</u> | | | | |
| Transfers In | <u>1,067,198</u> | <u>1,061,352</u> | <u>1,061,352</u> | <u>0</u> |
| Net Change in Fund Balance | (60,871) | 22,503 | 15,834 | (6,669) |
| Fund Balance (Deficit) Beginning of Year | <u>(2,747,826)</u> | <u>(2,747,826)</u> | <u>(2,747,826)</u> | <u>0</u> |
| Fund Balance (Deficit) End of Year | <u>(\$2,808,697)</u> | <u>(\$2,725,323)</u> | <u>(\$2,731,992)</u> | <u>(\$6,669)</u> |

See accompanying notes to the basic financial statements

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

| | Business Type Activities - Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|--|---|---------------------|---------------------|--|
| | Sewer | Water | Total | |
| Assets | | | | |
| Current Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$447,570 | \$2,021,613 | \$2,469,183 | \$48,247 |
| Cash and Cash Equivalents with Fiscal Agents | 4,549 | 13,648 | 18,197 | 5,292,993 |
| Materials and Supplies Inventory | 936 | 3,267 | 4,203 | 0 |
| Receivables: | | | | |
| Permissive Sales Taxes | 9,985 | 29,956 | 39,941 | 0 |
| Accounts | 229,846 | 596,431 | 826,277 | 174,014 |
| Interfund | 0 | 0 | 0 | 6,065,455 |
| Prepaid Items | 0 | 23,549 | 23,549 | 0 |
| Total Current Assets | 692,886 | 2,688,464 | 3,381,350 | 11,580,709 |
| Noncurrent Assets: | | | | |
| Restricted Assets: | | | | |
| Special Assessments Receivable | 405,044 | 0 | 405,044 | 0 |
| Deferred Charges | 43,498 | 44,005 | 87,503 | 0 |
| Non Depreciable Capital Assets | 1,228,562 | 510,821 | 1,739,383 | 0 |
| Depreciable Capital Assets, Net | 13,402,294 | 26,306,586 | 39,708,880 | 0 |
| Total Noncurrent Assets | 15,079,398 | 26,861,412 | 41,940,810 | 0 |
| Total Assets | 15,772,284 | 29,549,876 | 45,322,160 | 11,580,709 |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 5,215 | 88,999 | 94,214 | 0 |
| Accrued Wages and Benefits Payable | 5,017 | 21,420 | 26,437 | 0 |
| Contracts Payable | 0 | 29,725 | 29,725 | 0 |
| Compensated Absences Payable | 2,709 | 10,517 | 13,226 | 0 |
| Interfund Payable | 5,096 | 77,756 | 82,852 | 8,336,279 |
| Intergovernmental Payable | 16,172 | 138,006 | 154,178 | 389,120 |
| Claims Payable - Health Benefits | 0 | 0 | 0 | 465,553 |
| Claims Payable - Workers' Compensation | 0 | 0 | 0 | 482,750 |
| Accrued Interest Payable | 17,621 | 38,235 | 55,856 | 0 |
| Notes Payable | 750,000 | 0 | 750,000 | 0 |
| Current Portion of General Obligation Bonds Payable | 45,000 | 50,000 | 95,000 | 0 |
| Current Portion of OPWC Loans Payable | 7,500 | 69,379 | 76,879 | 0 |
| Current Portion of OWDA Loans Payable | 339,176 | 219,721 | 558,897 | 0 |
| Current Portion of Ohio EPA Loan Payable | 0 | 299,167 | 299,167 | 0 |
| Total Current Liabilities | 1,193,506 | 1,042,925 | 2,236,431 | 9,673,702 |
| Long-Term Liabilities (Net of Current Portion): | | | | |
| Compensated Absences Payable | 13,532 | 33,692 | 47,224 | 0 |
| Claims Payable - Workers Compensation | 0 | 0 | 0 | 1,229,361 |
| General Obligation Bonds Payable | 1,758,233 | 1,771,729 | 3,529,962 | 0 |
| OPWC Loans Payable | 227,812 | 519,288 | 747,100 | 0 |
| OWDA Loans Payable | 1,222,811 | 1,914,095 | 3,136,906 | 0 |
| Ohio EPA Loan Payable | 0 | 6,557,210 | 6,557,210 | 0 |
| Total Long-Term Liabilities | 3,222,388 | 10,796,014 | 14,018,402 | 1,229,361 |
| Total Liabilities | 4,415,894 | 11,838,939 | 16,254,833 | 10,903,063 |
| Net Assets | | | | |
| Invested in Capital Assets, Net of Related Debt | 10,382,055 | 15,532,552 | 25,914,607 | 0 |
| Restricted for: | | | | |
| Debt Service | 346,811 | 0 | 346,811 | 0 |
| Unrestricted | 627,524 | 2,178,385 | 2,805,909 | 677,646 |
| Total Net Assets | \$11,356,390 | \$17,710,937 | \$29,067,327 | \$677,646 |

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, 2006

| | Business Type Activities - Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|---|---|--------------|--------------|--|
| | Sewer | Water | Total | |
| Operating Revenues | | | | |
| Charges for Services | \$1,072,189 | \$4,741,234 | \$5,813,423 | \$0 |
| Charges for Services - Health | 0 | 0 | 0 | 6,421,285 |
| Charges for Services - Workers' Compensation | 0 | 0 | 0 | 1,076,824 |
| Other | 0 | 5,080 | 5,080 | 0 |
| <i>Total Operating Revenues</i> | 1,072,189 | 4,746,314 | 5,818,503 | 7,498,109 |
| Operating Expenses | | | | |
| Personal Services | 192,710 | 945,859 | 1,138,569 | 0 |
| Contractual Services | 711,491 | 1,175,533 | 1,887,024 | 0 |
| Contractual Services - Health | 0 | 0 | 0 | 1,250,054 |
| Contractual Services - Workers Compensation | 0 | 0 | 0 | 389,120 |
| Materials and Supplies | 19,686 | 330,519 | 350,205 | 0 |
| Claims - Health Benefits | 0 | 0 | 0 | 3,147,968 |
| Claims - Workers Compensation | 0 | 0 | 0 | (100,796) |
| Depreciation | 625,155 | 1,144,507 | 1,769,662 | 0 |
| Other | 0 | 3,314 | 3,314 | 0 |
| <i>Total Operating Expenses</i> | 1,549,042 | 3,599,732 | 5,148,774 | 4,686,346 |
| <i>Operating Income (Loss)</i> | (476,853) | 1,146,582 | 669,729 | 2,811,763 |
| Non-Operating Revenues (Expenses) | | | | |
| Permissive Sales Taxes | 61,346 | 184,039 | 245,385 | 0 |
| Interest | 0 | 0 | 0 | 172,749 |
| Interest and Fiscal Charges | (193,657) | (511,862) | (705,519) | 0 |
| Other Non-Operating Revenues | 0 | 15,100 | 15,100 | 17,603 |
| <i>Total Non-Operating Revenues (Expenses)</i> | (132,311) | (312,723) | (445,034) | 190,352 |
| <i>Income (Loss) Before Contributions</i> | (609,164) | 833,859 | 224,695 | 3,002,115 |
| Capital Contributions | 0 | 457,678 | 457,678 | 0 |
| <i>Change in Net Assets</i> | (609,164) | 1,291,537 | 682,373 | 3,002,115 |
| <i>Net Assets (Deficit) Beginning of Year - Restated (Note 3)</i> | 11,965,554 | 16,419,400 | 28,384,954 | (2,324,469) |
| <i>Net Assets End of Year</i> | \$11,356,390 | \$17,710,937 | \$29,067,327 | \$677,646 |

See accompanying notes to the basic financial statements

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

| | 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 | \$991,331 | \$4,868,613 | \$5,859,944 | \$0 |
| Cash Received from Customers - Health Benefits | 0 | 0 | 0 | 6,421,285 |
| Cash Received from Customers - Workers' Compensation | 0 | 0 | 0 | 1,076,824 |
| Cash Payments for Employee Services and Benefits | (209,531) | (954,769) | (1,164,300) | 0 |
| Cash Payments for Goods and Services | (612,294) | (1,989,472) | (2,601,766) | (1,660,780) |
| Cash Payments for Claims - Health Benefits | 0 | 0 | 0 | (4,323,967) |
| Cash Payments for Claims - Workers' Compensation | 0 | 0 | 0 | (646,805) |
| Other Operating Revenues | 0 | 5,080 | 5,080 | 1,021,419 |
| Other Operating Expenses | 0 | (3,314) | (3,314) | 0 |
| Other Non-Operating Revenues | 0 | 15,100 | 15,100 | 17,603 |
| <i>Net Cash Provided by Operating Activities</i> | <u>169,506</u> | <u>1,941,238</u> | <u>2,110,744</u> | <u>1,905,579</u> |
| Cash Flows from Noncapital Financing Activities | | | | |
| Interfund Loan | 0 | 0 | 0 | (733,357) |
| Permissive Sales Taxes | 60,470 | 181,409 | 241,879 | 0 |
| <i>Net Cash Provided by (Used in) Noncapital Financing Activities</i> | <u>60,470</u> | <u>181,409</u> | <u>241,879</u> | <u>(733,357)</u> |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Payments for Capital Acquisitions | (14,496) | (2,699,169) | (2,713,665) | 0 |
| Bond Anticipation Notes Issued | 750,000 | 0 | 750,000 | 0 |
| Ohio EPA Loan Issued | 0 | 379,320 | 379,320 | 0 |
| Tap-In Fees | 0 | 48,640 | 48,640 | 0 |
| Special Assessments | 43,609 | 0 | 43,609 | 0 |
| OPWC Loans Issued | 235,312 | 0 | 235,312 | 0 |
| Principal Paid on Debt: | | | | |
| General Obligation Bonds | (35,000) | (55,000) | (90,000) | 0 |
| OWDA Loans | (323,737) | (203,652) | (527,389) | 0 |
| OPWC Loans | 0 | (69,379) | (69,379) | 0 |
| Ohio EPA Loans | 0 | (289,376) | (289,376) | 0 |
| Notes | (739,869) | (104,473) | (844,342) | 0 |
| Interest and Fiscal Charges Paid on Debt | (191,123) | (510,366) | (701,489) | 0 |
| <i>Net Cash Used in Capital and Related Financing Activities</i> | <u>(275,304)</u> | <u>(3,503,455)</u> | <u>(3,778,759)</u> | <u>0</u> |
| Cash Flows from Investing Activities | | | | |
| Interest | 0 | 0 | 0 | 172,749 |
| <i>Net Cash Provided by Investing Activities</i> | <u>0</u> | <u>0</u> | <u>0</u> | <u>172,749</u> |
| <i>Net Increase (Decrease) in Cash and Cash Equivalents</i> | (45,328) | (1,380,808) | (1,426,136) | 1,344,971 |
| <i>Cash and Cash Equivalents Beginning of Year</i> | 492,898 | 3,402,421 | 3,895,319 | 3,996,269 |
| <i>Cash and Cash Equivalents End of Year</i> | <u>\$447,570</u> | <u>\$2,021,613</u> | <u>\$2,469,183</u> | <u>\$5,341,240</u> |

(Continued)

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

| | 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) | (\$476,853) | \$1,146,582 | \$669,729 | \$2,811,763 |
| Adjustments: | | | | |
| Depreciation | 625,155 | 1,144,507 | 1,769,662 | 0 |
| Non-Capitalized Reduction to Construction in Progress | 122,434 | 0 | 122,434 | 0 |
| Non-Operating Revenues | 0 | 15,100 | 15,100 | 17,603 |
| Changes in Assets and Liabilities: | | | | |
| (Increase) Decrease in Accounts Receivable | (80,858) | 127,379 | 46,521 | 313,098 |
| (Increase) Decrease in Materials and Supplies Inventory | 49 | (440) | (391) | 0 |
| Increase in Prepaid Items | 0 | (7,121) | (7,121) | 0 |
| Increase (Decrease) in Accounts Payable | 5,215 | (286,457) | (281,242) | 0 |
| Increase (Decrease) in Accrued Wages and Benefits Payable | 102 | (2,532) | (2,430) | 0 |
| Decrease in Compensated Absences Payable | (17,168) | (4,547) | (21,715) | 0 |
| Decrease in Contracts Payable | 0 | (184,290) | (184,290) | 0 |
| Decrease in Interfund Payable | (598) | (12,684) | (13,282) | 0 |
| Decrease in Claims Payable - Health Benefits | 0 | 0 | 0 | (467,678) |
| Decrease in Claims Payable - Workers' Compensation | 0 | 0 | 0 | (747,601) |
| Increase (Decrease) in Intergovernmental Payable | (7,972) | 5,741 | (2,231) | (21,606) |
| <i>Net Cash Provided by Operating Activities</i> | <u>\$169,506</u> | <u>\$1,941,238</u> | <u>\$2,110,744</u> | <u>\$1,905,579</u> |

Noncash Activities:

During 2006, the County had capital contributions in the amount of \$409,038 for the Bergholz Water System contributed by the village.

See accompanying notes to the basic financial statements

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

| | |
|--|----------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$2,794,415 |
| Receivables: | |
| Property Taxes | 44,292,766 |
| Accounts | 1,052,373 |
| Special Assessments | 348,053 |
| Intergovernmental | <u>4,894,470</u> |
| <i>Total Assets</i> | <u><u>\$53,382,077</u></u> |
| | |
| Liabilities | |
| Intergovernmental Payable | \$50,356,384 |
| Undistributed Monies | <u>3,025,693</u> |
| <i>Total Liabilities</i> | <u><u>\$53,382,077</u></u> |

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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. 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, 2006

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 21.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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 22.

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 23.

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 24.

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, 2006

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, 2006

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, 2006

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, 2006

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

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

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

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

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 2006 upon which the final appropriations were based.

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.

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 2006, investments were limited to United States Treasury Notes, money market 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 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

credited to a specific fund. Interest revenue credited to the general fund during 2006 amounted to \$660,361 which includes \$345,556 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 statute. 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, 2006, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

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 utilized by the enterprise funds are also capitalized. All infrastructure of the County has been reported, including infrastructure acquired or constructed prior to 1980. All reported capital assets are depreciated

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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:

| Description | Governmental Activities Estimated Lives | Business Type Activities Estimated Lives |
|----------------------------|---|--|
| 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.

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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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 Children's Home 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 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Development Block Grant, and Senior Citizens Levy special revenue funds. Of the restricted net assets, none has resulted from enabling legislation.

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. Internal Activity

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

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

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, 2006

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES/ESTIMATES AND RESTATEMENT OF PRIOR YEAR FUND EQUITY

Change in Accounting Principles – For the year ended December 31, 2006, the County has implemented GASB Statement No. 47, “Accounting for Termination Benefits”, and GASB Statement No. 44, “Economic Condition Reporting: The Statistical Section.”

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

GASB Statement No. 44 sets forth guidelines to improve the understandability and usefulness of the information that State and local governments present as supplementary information in the statistical section.

Change in Accounting Estimate – The use of the MIRA reserving system for the workers’ compensation claims payable allows for significant differences in the claims payable actuarial estimate each year due to the estimate being based on actual claims activity. During 2006, there was a significant decrease in the claims payable liability which caused a negative claims expense in the self insurance – workers’ compensation fund.

Restatement of Net Assets – There is a restatement to net assets for a capital grant receivable of \$77,693 in the Sewer Fund. The effect of the restatement is to decrease the sewer fund net assets from \$12,043,247 to \$11,965,554, and reduce Business Type Net assets from \$28,462,647 to \$28,384,954 as of December 31, 2005.

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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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:

| Net Change in Fund Balances | | | | | | |
|---|------------------|----------------------|------------------|------------------|------------------|---------------------------|
| General and Major Special Revenue Funds | | | | | | |
| | General | Public Assistance | MVGT | Mental Health | MRDD | Jail Operating Levy |
| GAAP Basis | \$593,889 | \$741,915 | \$932,955 | \$81,451 | \$377,677 | \$20,839 |
| Net Adjustment for | | | | | | |
| Revenue Accruals | 36,594 | (117,797) | 91,432 | 134,615 | 123,891 | 17,132 |
| Unrecorded Cash | (125,627) | 0 | 0 | 0 | 0 | 0 |
| Agency Fund | | | | | | |
| Cash Allocation | (198,627) | 0 | (97,050) | (8,187) | (103,447) | (46,184) |
| Transfers In | 0 | (25,150) | 159,861 | 0 | 0 | 0 |
| Net Adjustment for | | | | | | |
| Expenditure Accruals | 78,612 | 241,239 | (115,283) | 98,797 | 150,387 | 24,047 |
| Advances Out | (112,000) | 0 | 0 | 0 | 0 | 0 |
| Transfers Out | 25,150 | 0 | 0 | 0 | 0 | 0 |
| Debt Service Principal | 0 | 0 | (500,000) | 0 | 0 | 0 |
| Encumbrances | (37,238) | 0 | (47,832) | 0 | 0 | 0 |
| Budget Basis | <u>\$260,753</u> | <u>\$840,207</u> | <u>\$424,083</u> | <u>\$306,676</u> | <u>\$548,508</u> | <u>\$15,834</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, 2006:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

| | Deficit Fund Balance | Deficit Net Assets |
|-----------------------------------|-------------------------|-----------------------|
| <u>Special Revenue Funds:</u> | | |
| Emergency 911 | (\$35,766) | |
| Permissive Sheriff | (350,971) | |
| Jail Operating Levy | (2,697,378) | |
| Community Development Block Grant | (52,833) | |
| <u>Internal Service Fund:</u> | | |
| Self Insurance - Health | | (\$3,334,825) |

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.

B. Legal Compliance:

The Miscellaneous Local, Public Assistance, Permissive Sheriff, Children Services, Jail Operating Levy, and Community Development Block Grant special revenue funds, the Permanent Improvement capital projects fund, and the Water enterprise 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 and Jail Operating Levy special revenue funds 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 Self Insurance – Health internal service fund had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41(B), Revised Code. The County will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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;
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;

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

- 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, 2006, the County's Self Insurance – Health internal service fund had a \$5,292,993 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, \$17,333,929 of the County's bank balance of \$17,933,929 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

Jefferson County, Ohio
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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

The County had investments held with fiscal agents in mutual funds with a carrying value of \$954,732. These mutual funds were rated AAAM by Standard and Poors. The average maturity of the funds was not available to the County at December 31, 2006.

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

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

Public utility tangible personal property currently is assessed at varying percentages of true collected value; public utility real property is assessed at 25 percent of true value. 2006 public utility property taxes became a lien December 31, 2005, are levied after October 1, 2006, and are collected in 2007 with real property taxes.

2006 tangible personal property taxes are levied after October 1, 2005, on the value as of December 31, 2005. Collections are made in 2006. Tangible personal property assessments are 25 percent of true value, and 23 percent for inventory.

The tangible personal property tax is being phased out – the assessment percentage for all property including inventory for 2006 is 18.75 percent. This will be reduced to 12.5 percent for 2007, 6.25 percent for 2008 and zero for 2009.

The full tax rate for all County operations for the year ended December 31, 2006, was 11.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2006 property tax receipts were based are as follows:

| | |
|----------------------------------|-----------------|
| Real Property | \$793,144,690 |
| Public Utility Personal Property | 221,851,440 |
| Tangible Personal Property | 102,147,765 |
| Total Assessed Property Value | \$1,117,143,895 |

Jefferson County, Ohio
Notes to the Basic Financial Statements
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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, 2006 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 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

NOTE 8 - PERMISSIVE SALES AND USE 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.

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, 2006, 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. In prior years, special assessments were assessed for the partial repayment

Jefferson County, Ohio
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of business-type activities debt. These 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 \$365,513. The County has \$2,001 in delinquent special assessments at December 31, 2006. A summary of the principal items of intergovernmental receivables follows:

| Governmental Activities | |
|--|----------------------------|
| Jail Operating Levy - Detention | \$350,327 |
| Indigent Fee Reimbursement | 52,674 |
| Homestead/Rollback, SB 3 and HB 66 Reimbursement | 1,591,646 |
| Local Government Funding | 1,104,716 |
| Motor Vehicle License and Gas Tax | 1,973,839 |
| Miscellaneous Local Fund Grants | 395,647 |
| Public Assistance Fund Grants | 783,203 |
| Mental Health Fund Grants | 2,548,169 |
| Court/Corrections Fund Grants | 317,417 |
| Permissive Sheriff Fund Grants | 6,772 |
| MVGT Fund Grants | 31,249 |
| MRDD Fund Grants | 1,563,568 |
| Jail Operating Levy Fund Grants | 9,908 |
| CDBG Fund Grants | <u>1,024,865</u> |
| Total | <u><u>\$11,754,000</u></u> |

NOTE 10 - CAPITAL ASSETS

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

| | Balance 12/31/2005 | Additions | Reductions | Balance 12/31/2006 |
|--|-----------------------|--------------------|--------------------|-----------------------|
| <u>Governmental Activities:</u> | | | | |
| Non Depreciable Capital Assets: | | | | |
| Land | \$4,203,297 | \$0 | \$0 | \$4,203,297 |
| Construction in Progress | 855,840 | 723,965 | (759,530) | 820,275 |
| Total Non Depreciable Capital Assets | <u>5,059,137</u> | <u>723,965</u> | <u>(759,530)</u> | <u>5,023,572</u> |
| Depreciable Capital Assets: | | | | |
| Land Improvements | 0 | 150,328 | 0 | 150,328 |
| Buildings and Improvements | 40,328,320 | 1,913,574 | 0 | 42,241,894 |
| Machinery and Equipment | 11,470,143 | 1,547,964 | (30,243) | 12,987,864 |
| Infrastructure | 71,864,708 | 1,687,070 | (397,755) | 73,154,023 |
| Vehicles | 2,314,939 | 177,119 | (33,329) | 2,458,729 |
| Total Depreciable Capital Assets | <u>125,978,110</u> | <u>5,476,055</u> | <u>(461,327)</u> | <u>130,992,838</u> |
| Accumulated Depreciation: | | | | |
| Land Improvements | 0 | (5,888) | 0 | (5,888) |
| Buildings and Improvements | (12,217,630) | (1,070,123) | 0 | (13,287,753) |
| Machinery and Equipment | (7,100,394) | (806,943) | 30,243 | (7,877,094) |
| Infrastructure | (19,281,726) | (1,879,962) | 374,406 | (20,787,282) |
| Vehicles | (1,554,280) | (134,962) | 28,425 | (1,660,817) |
| Total Accumulated Depreciation | <u>(40,154,030)</u> | <u>(3,897,878)</u> | <u>433,074</u> | <u>(43,618,834)</u> |
| Total Depreciable Capital Assets, Net | <u>85,824,080</u> | <u>1,578,177</u> | <u>(28,253)</u> | <u>87,374,004</u> |
| Governmental Capital Assets, Net | <u>\$90,883,217</u> | <u>\$2,302,142</u> | <u>(\$787,783)</u> | <u>\$92,397,576</u> |

*Depreciation expense was charged to governmental activities as follows:

| | |
|--|---------------------------|
| <u>Governmental Activities:</u> | |
| General Government: | |
| Legislative and Executive | \$278,500 |
| Judicial | 151,055 |
| Public Safety | 844,711 |
| Public Works | 1,958,620 |
| Health | 252,833 |
| Human Services | 211,906 |
| Economic Development and Assistance | 187,085 |
| Conservation and Recreation | <u>13,168</u> |
| Total Depreciation Expense | <u><u>\$3,897,878</u></u> |

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

| | Balance 12/31/2005 | Additions | Reductions | Balance 12/31/2006 |
|---|-----------------------|--------------------|--------------------|-----------------------|
| <u>Business Type Activities:</u> | | | | |
| Non Depreciable Capital Assets: | | | | |
| Land | \$279,700 | \$0 | \$0 | \$279,700 |
| Construction in Progress | 1,739,731 | 278,021 | (558,069) | 1,459,683 |
| Total Non Depreciable Capital Assets | <u>2,019,431</u> | <u>278,021</u> | <u>(558,069)</u> | <u>1,739,383</u> |
| Depreciable Capital Assets: | | | | |
| Buildings and Improvements | 749,528 | 0 | 0 | 749,528 |
| Machinery and Equipment | 1,153,152 | 0 | 0 | 1,153,152 |
| Infrastructure | 64,614,823 | 3,157,896 | 0 | 67,772,719 |
| Vehicles | 102,023 | 42,041 | 0 | 144,064 |
| Total Depreciable Capital Assets | <u>66,619,526</u> | <u>3,199,937</u> | <u>0</u> | <u>69,819,463</u> |
| Accumulated Depreciation: | | | | |
| Buildings and Improvements | (370,640) | (19,811) | 0 | (390,451) |
| Machinery and Equipment | (733,631) | (73,404) | 0 | (807,035) |
| Infrastructure | (27,169,893) | (1,663,211) | 0 | (28,833,104) |
| Vehicles | (66,757) | (13,236) | 0 | (79,993) |
| Total Accumulated Depreciation | <u>(28,340,921)</u> | <u>(1,769,662)</u> | <u>0</u> | <u>(30,110,583)</u> |
| Total Depreciable Capital Assets, Net | <u>38,278,605</u> | <u>1,430,275</u> | <u>0</u> | <u>39,708,880</u> |
| Business Type Capital Assets, Net | <u>\$40,298,036</u> | <u>\$1,708,296</u> | <u>(\$558,069)</u> | <u>\$41,448,263</u> |

During 2006, there were deletions of construction in progress of \$122,434 for capitalized costs of projects that have been determined not feasible to complete, and will therefore not result in a capital asset placed in service.

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, 2006

| | | |
|--------------------------------|-------------------|------------------------|
| Medical Professional | 6,000,000 | |
| Foster Parents | 6,000,000 | |
| Excess | 5,000,000 | |
| Property: | | |
| Property | 114,146,357 | 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 2006, 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, 2006

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 \$465,553 for health insurance and \$1,712,111 for workers' compensation reported in the self insurance – health and self-insurance – workers' compensation internal service funds, respectively at December 31, 2006 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 | | | | |
| 2005 | \$1,089,912 | \$3,980,299 | \$4,136,980 | \$933,231 |
| 2006 | 933,231 | 2,834,870 (1) | 3,302,548 (2) | 465,553 |
| Self Insurance - Workers' Compensation | | | | |
| 2005 | 2,398,637 | 410,070 | 348,995 | 2,459,712 |
| 2006 | 2,459,712 | (100,796) | 646,805 | 1,712,111 |
| (1) Claims Expense | | 3,147,968 | | |
| - Net Decrease in Stop Loss Receivable | | (313,098) | | |
| Current Year Claims | | <u>2,834,870</u> | | |
| (2) Cash Payments for Claims | | | 4,323,967 | |
| - Stop Loss Received for 2006 Claims | | | (1,021,419) | |
| Claims Payments | | | <u>3,302,548</u> | |

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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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.

For the year ended December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The employer contribution rate for pension benefits for 2006 was 13.70 percent, except for those plan members in law enforcement or public safety. For those classifications, the employer's pension contributions were 16.93 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2006, 2005, and 2004 were \$3,082,728 , \$2,715,414, and \$2,941,130 respectively; 87.65 percent has been contributed for 2006 and 100 percent for 2005 and 2004. Contributions to the member-directed plan for 2006 were \$16,394 made by the County and \$10,770 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2006, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 3.42 percent was the portion used to fund pension obligations. For fiscal year 2005, the portion used to fund pension obligations was 3.43 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004 were \$85,603, \$89,127, and \$102,516 respectively; 100 percent has been contributed for fiscal years 2006, 2005 and 2004. No contributions were made to the DC and Combined Plans for fiscal year 2006 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 2006 local government employer contribution rate was 13.70 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31,

Jefferson County, Ohio
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For the Year Ended December 31, 2006

2005, include a rate of return on investments of 6.50 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 0.50 to 6 percent annually for the next nine years and 4 percent annually after nine 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, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 369,214. Actual County contributions for 2006 which were used to fund postemployment benefits were \$925,287. 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, 2005, (the latest information available) was \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. 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, and January 1, 2007, 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, 2006, the STRS Board allocated employer contributions equal to 3.42 percent of covered payroll, compared to 3.43 percent from fiscal year 2005. For the County, this amount equaled \$21,902 for fiscal year 2006.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2006, the balance in the Fund was \$3.5 billion. For the year ended June 30, 2006, net health care costs paid by STRS were \$282.743 million and STRS had 119,184 eligible benefit recipients.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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 – SPECIAL TERMINATION BENEFITS PAYABLE

Jefferson County offered an early retirement incentive plan pursuant to Ohio Revised Code sections 145.297 and 145.298 and Administrative Rule 145-2-42 to employees of the Jefferson County Department of Job and Family Services (JCDJFS). The plan is being offered from April 1, 2006 through March 31, 2008, and was available to at least five percent of the employees of the JCDJFS. The terms of the plan call for the purchase of five years of service credit, or an amount of service credit equal to one-fifth of the total service credit of record credited to the participating employee in the Ohio Public Employees Retirement System, exclusive of the service credit purchased under the plan for each eligible employee. The employees participating in the plan are also eligible to be paid for severance under the terms of the County's normal severance policy. During 2006, fifteen employees participated in the plan. The County made payment for thirteen of those employees' service credit in the amount of \$1,038,084 during 2006, and had an outstanding liability for two employees in the amount of \$248,126 for amounts that were not paid until January, 2007.

NOTE 16 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for office equipment and vehicles. During 2006, the County entered into additional capital leases for court reporting equipment and an answering point switch for the county's 911 system. Each lease meets the criteria of a capital lease as defined by Statement of Financial 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 \$725,347, 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 \$620,659 for machinery and equipment and \$29,242 for vehicles. Principal payments towards capital leases during 2006 totaled \$153,935 for governmental activities.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

Future minimum lease payments through 2011 are as follows:

| Year | Governmental Activities | |
|-------|-------------------------|----------|
| | Principal | Interest |
| 2007 | \$176,945 | \$35,347 |
| 2008 | 173,898 | 23,976 |
| 2009 | 65,040 | 12,525 |
| 2010 | 70,737 | 6,818 |
| 2011 | 44,254 | 1,488 |
| Total | \$530,874 | \$80,154 |

NOTE 17 - CONSTRUCTION COMMITMENTS

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

| Project | Fund | Purchase Commitment | Amounts Paid as of 12/31/2006 | Amounts Remaining on Contracts |
|--|-----------------------|------------------------|-------------------------------------|--------------------------------------|
| <u>Capital:</u> | | | | |
| Wintersville PRV Project | Water | \$55,270 | \$55,270 | \$0 |
| Toronto Waterline Extension ** | Water | 8,500,000 | 7,666,516 | 833,484 |
| 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 | 410,548 | 410,548 | 0 |
| Bergholz Waterline Ext. | Water | 1,452,608 | 1,445,705 | 6,903 |
| St. Route 43 Waterline Relocation | Water | 330,062 | 330,062 | 0 |
| Crestview-Belvedere | | | | |
| Sanitary Sewer | Sewer | 5,500,000 | 1,011,370 | 4,488,630 |
| Sunshine Park Sanitary Sewer | Sewer | 5,100,000 | 122,713 | 4,977,287 |
| Package Plant Improvements | Sewer | 250,000 | 4,463 | 245,537 |
| Barbers Hollow | | | | |
| Wastewater Treatment Plant | Sewer | 400,000 | 315,176 | 84,824 |
| Overlook Hills Sanitary Sewer | Sewer | 45,000 | 0 | 45,000 |
| E-911 Building Project | Permanent Improvement | 1,677,423 | 1,677,423 | 0 |
| Mental Health New Alexandria | | | | |
| Care Facility Renovations | Permanent Improvement | 236,151 | 236,151 | 0 |
| Mental Health Safe Haven | | | | |
| Construction Project | Permanent Improvement | 1,173,940 | 139,325 | 1,034,615 |
| Co. Road 7F Bridge Project ** | MVGT | 839,991 | 839,991 | 0 |
| Co. Road 17 Bridge Project | MVGT | 363,481 | 111,720 | 251,761 |
| Co. Road 39 Bridge Project | MVGT | 153,940 | 153,940 | 0 |
| Co. Road 51 Bridge Project ** | MVGT | 117,693 | 117,693 | 0 |
| Knox Twp Road 243 Bridge Project | MVGT | 374,000 | 73,428 | 300,572 |
| Total Capital Construction Commitments | | 27,288,107 | 14,717,455 | 12,570,652 |
| <u>Non-Capital:</u> | | | | |
| Airpark Wetlands Project | Miscellaneous Local | 35,264 | 11,367 | 23,897 |
| GIS Project | Miscellaneous Local | 700,000 | 589,892 | 110,108 |
| Total Commitments | | \$28,023,371 | \$15,318,714 | \$12,704,657 |

** Denotes projects that were substantially completed during 2005 and 2006 and placed in service, although there are still outstanding contract amounts to be paid.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

NOTE 18 - LONG-TERM LIABILITIES

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

| | Outstanding 12/31/2005 | Additions | Reductions | Outstanding 12/31/2006 | Amounts Due Within One Year |
|--|---------------------------|--------------------|--------------------|---------------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| <i>Jail Construction Refunding - 1998, \$10,657,219</i> | | | | | |
| Serial/Term - \$10,020,000 @ 3.75%-5.75% | \$8,145,000 | \$0 | \$0 | \$8,145,000 | \$0 |
| CAB - \$637,219 @ 4.7%-5.0% | 637,219 | 0 | 173,171 | 464,048 | 145,827 |
| Accretion on CAB - \$2,997,781 @ 17.2% | 1,620,910 | 414,213 | 556,829 | 1,478,294 | 579,173 |
| <i>Various Purpose/Refunding - 1998, \$17,760,000</i> | | | | | |
| Human Services Refunding - \$2,515,000 | | | | | |
| Serial/Term @ 3.75%-5.70% | 1,600,000 | 0 | 190,000 | 1,410,000 | 185,000 |
| Jail Construction Additional - \$7,180,000 | | | | | |
| Serial/Term @ 3.75%-5.70% | 5,445,000 | 0 | 345,000 | 5,100,000 | 360,000 |
| Emergency 911 - \$2,590,000 | | | | | |
| Serial/Term @ 3.75%-5.70% | 635,000 | 0 | 310,000 | 325,000 | 325,000 |
| Engineer Road Projects - \$5,475,000 | | | | | |
| Serial/Term @ 3.75%-5.70% | 4,055,000 | 0 | 260,000 | 3,795,000 | 270,000 |
| <i>Various Purpose - 2004, \$8,010,000</i> | | | | | |
| Jail Construction - 2004, \$4,335,000 | | | | | |
| Serial/Term @ 2.0%-5.375% | 4,325,000 | 0 | 10,000 | 4,315,000 | 10,000 |
| Premium - \$131,512 | 127,128 | 0 | 4,384 | 122,744 | 0 |
| Total General Obligation Bonds | 26,590,257 | 414,213 | 1,849,384 | 25,155,086 | 1,875,000 |
| <i>Long Term Notes Payable</i> | | | | | |
| GIS - 2001, \$700,000 @ 4.87% | 153,564 | 0 | 153,564 | 0 | 0 |
| Airpark Jet Fuel Tank - 2001, \$198,000 @ 4.50% | 145,200 | 0 | 145,200 | 0 | 0 |
| Airpark Runway Ext. - 2005, \$202,000 @ 5.25% | 193,702 | 0 | 193,702 | 0 | 0 |
| Airpark Jet Fuel Tank - 2006, \$145,200 @ 4.50% | 0 | 145,200 | 20,852 | 124,348 | 24,119 |
| Airpark Runway Ext. - 2006, \$186,389 @ 4.36% | 0 | 186,389 | 0 | 186,389 | 42,292 |
| 911 Building - 2005, \$1,500,000 @ 4.34% | 1,500,000 | 0 | 121,817 | 1,378,183 | 128,094 |
| Total Long Term Notes Payable | 1,992,466 | 331,589 | 635,135 | 1,688,920 | 194,505 |
| <i>State Infrastructure Bank Loan</i> | | | | | |
| Airpark Land - 1998, \$370,000 @ 4.25% | 160,033 | 0 | 51,118 | 108,915 | 53,312 |
| <i>OPWC Loan</i> | | | | | |
| Road Resurfacing - 1992, \$130,046 @ 0% | 48,770 | 0 | 6,502 | 42,268 | 6,502 |
| Capital Leases | 100,744 | 584,065 | 153,935 | 530,874 | 176,945 |
| Workers' Compensation Claims Payable | 2,459,712 | (100,796) | 646,805 | 1,712,111 | 482,750 |
| Contract Payable | 15,790 | 0 | 15,790 | 0 | 0 |
| Account Payable | 50,489 | 0 | 16,830 | 33,659 | 16,830 |
| SBC Loan Payable | 157,846 | 0 | 53,056 | 104,790 | 55,909 |
| Compensated Absences | 2,165,566 | 1,710,018 | 1,567,594 | 2,307,990 | 180,213 |
| Total Governmental Activities | \$33,741,673 | \$2,939,089 | \$4,996,149 | \$31,684,613 | \$3,041,966 |

Jefferson County, Ohio
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For the Year Ended December 31, 2006

| | Outstanding 12/31/2005 | Additions | Reductions | Outstanding 12/31/2006 | Amounts Due Within One Year |
|---|---------------------------|------------------|--------------------|---------------------------|-----------------------------------|
| <u>Business Type Activities:</u> | | | | | |
| <i>General Obligation Bonds</i> | | | | | |
| <i>Various Purpose - 2004, \$8,010,000</i> | | | | | |
| <i>Water Projects - \$1,855,000</i> | | | | | |
| Serial/Term @ 2.0%-5.375% | 1,805,000 | 0 | 55,000 | 1,750,000 | 50,000 |
| "Net" Premium - \$77,967 | 74,848 | 0 | 3,119 | 71,729 | 0 |
| <i>Sewer Projects - \$1,470,000</i> | | | | | |
| Serial/Term @ 2.0%-5.375% | 1,445,000 | 0 | 25,000 | 1,420,000 | 30,000 |
| "Net" Premium - \$42,082 | 40,679 | 0 | 1,403 | 39,276 | 0 |
| <i>Tidd-Dale/Hazelwood Sewer Projects - \$350,000</i> | | | | | |
| Serial/Term @ 2.0%-5.375% | 335,000 | 0 | 10,000 | 325,000 | 15,000 |
| "Net" Premium - \$21,063 | 20,010 | 0 | 1,053 | 18,957 | 0 |
| Total General Obligation Bonds | 3,720,537 | 0 | 95,575 | 3,624,962 | 95,000 |
| <i>OWDA Loans</i> | | | | | |
| Water - 1989, \$4,181,879 @ 7.0% | 2,337,468 | 0 | 203,652 | 2,133,816 | 219,721 |
| George's Run Sewer - 1986, \$709,116 @ 2.0% | 266,070 | 0 | 30,999 | 235,071 | 31,619 |
| Reed's Mills/Barbers Hollow Treatment Plant 1990, \$4,708,811 @ 5.0% | 1,619,654 | 0 | 292,738 | 1,326,916 | 307,557 |
| Total OWDA Loans | 4,223,192 | 0 | 527,389 | 3,695,803 | 558,897 |
| <i>OPWC Loans</i> | | | | | |
| Airpark Water - 1993, \$178,000 @ 0% | 75,650 | 0 | 8,900 | 66,750 | 8,900 |
| Water Rehabilitation - 1995, \$329,744 @ 0% | 197,846 | 0 | 21,983 | 175,863 | 21,983 |
| Water Tank - 1995, \$40,000 @ 0% | 28,000 | 0 | 8,000 | 20,000 | 8,000 |
| Piney Fork Waterline - 1998, \$195,000 @ 0% | 150,825 | 0 | 9,750 | 141,075 | 9,750 |
| Norton Hill, Empire - 1998, \$113,589 @ 0% | 85,193 | 0 | 5,679 | 79,514 | 5,679 |
| Barbers Hollow Treatment Plant Improvement - 2006, \$300,000 @ 0% | 0 | 235,312 | 0 | 235,312 | 7,500 |
| Water Rehabilitation - 1997, \$226,000 @ 0% | 120,532 | 0 | 15,067 | 105,465 | 15,067 |
| Total OPWC Loans | 658,046 | 235,312 | 69,379 | 823,979 | 76,879 |
| <i>Ohio EPA Loan Payable</i> | | | | | |
| Toronto Waterline Connector Project 2004, \$7,888,745 @ 3.35% | 6,766,433 | 379,320 | 289,376 | 6,856,377 | 299,167 |
| Compensated Absences | 82,165 | 58,999 | 80,714 | 60,450 | 13,226 |
| Total Business Type Activities | \$15,450,373 | \$673,631 | \$1,062,433 | \$15,061,571 | \$1,043,169 |

Governmental Activities:

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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. During fiscal year 2006 capital appreciation bonds matured and were retired with an original principal amount of \$173,171 and an accreted interest amount of \$556,829 (for a total of \$730,000). The maturity amount of the capital appreciation bonds is \$2,905,000. The accretion recorded for 2006 was \$414,213, for a total outstanding bond liability of \$1,942,342 at June 30, 2006.

Principal and interest requirements to retire the 1998 Jail Construction Refunding Bonds outstanding at December 31, 2006 are as follows:

| <u>Year Ending December 31</u> | <u>Serial and Term Bonds</u> | | <u>Capital Appreciation Bonds</u> | |
|------------------------------------|------------------------------|--------------------|-----------------------------------|--------------------------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Accretion/ Interest</u> |
| 2007 | \$0 | \$456,056 | \$145,827 | \$579,173 |
| 2008 | 0 | 456,055 | 124,494 | 605,506 |
| 2009 | 0 | 456,055 | 104,835 | 620,165 |
| 2010 | 0 | 456,055 | 88,892 | 636,108 |
| 2011 | 725,000 | 456,055 | 0 | 0 |
| 2012-2016 | 4,250,000 | 1,663,969 | 0 | 0 |
| 2017-2019 | 3,170,000 | 371,163 | 0 | 0 |
| Totals | <u>\$8,145,000</u> | <u>\$4,315,408</u> | <u>\$464,048</u> | <u>\$2,440,952</u> |

Jefferson County, Ohio
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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:

| 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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> |
|-------------|--|
| 2014 | \$1,050,000 |
| 2015 | 925,000 |
| 2016 | 975,000 |
| | <u>\$2,950,000</u> |

Principal and interest requirements to retire the 1998 Various Purpose Improvement and Refunding Bonds outstanding at December 31, 2006 are as follows:

| <u>Year Ending December 31</u> | <u>Serial and Term Bonds</u> | |
|------------------------------------|------------------------------|--------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2007 | \$1,140,000 | \$540,793 |
| 2008 | 845,000 | 488,353 |
| 2009 | 870,000 | 449,061 |
| 2010 | 900,000 | 407,736 |
| 2011 | 930,000 | 364,085 |
| 2012-2016 | 4,925,000 | 1,011,395 |
| 2017 | 1,020,000 | 51,000 |
| Totals | <u>\$10,630,000</u> | <u>\$3,312,423</u> |

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 2006 was \$4,384 for governmental activities and \$5,575 for business type activities. The issuance costs, \$104,325 for governmental and \$87,503 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 2006 was \$3,726 for governmental activities and \$3,628 for business type activities.

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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:

| <u>Date</u> | <u>Principal Amount Subject to Mandatory Redemption</u> |
|-------------|---|
| 2015 | \$110,000 |
| 2016 | 115,000 |
| 2017 | 120,000 |
| 2018 | 130,000 |
| 2019 * | 135,000 |
| | <u>\$610,000</u> |

* 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:

| <u>Date</u> | <u>Principal Amount Subject to Mandatory Redemption</u> |
|-------------|---|
| 2020 | \$140,000 |
| 2021 | 150,000 |
| 2022 | 160,000 |
| 2023 | 165,000 |
| 2024 * | 175,000 |
| | <u>\$790,000</u> |

* Maturity

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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:

| <u>Date</u> | <u>Principal Amount Subject to Mandatory Redemption</u> |
|-------------|---|
| 2025 | \$185,000 |
| 2026 | 195,000 |
| 2027 | 205,000 |
| 2028 | 215,000 |
| 2029 * | 225,000 |
| | <u>\$1,025,000</u> |

* 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:

| <u>Date</u> | <u>Principal Amount Subject to Mandatory Redemption</u> |
|-------------|---|
| 2030 | \$235,000 |
| 2031 | 245,000 |
| 2032 | 255,000 |
| 2033 | 270,000 |
| 2034 * | 280,000 |
| | <u>\$1,285,000</u> |

* Maturity

Principal and interest requirements to retire the governmental activities portion of the 2004 Various Purpose Bonds outstanding at December 31, 2006 are as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

| Year Ending December 31 | Serial and Term Bonds | |
|----------------------------|-----------------------|-------------|
| | Principal | Interest |
| 2007 | \$10,000 | \$203,814 |
| 2008 | 10,000 | 203,614 |
| 2009 | 90,000 | 203,376 |
| 2010 | 95,000 | 200,946 |
| 2011 | 95,000 | 198,191 |
| 2012-2016 | 530,000 | 939,830 |
| 2017-2021 | 675,000 | 795,608 |
| 2022-2026 | 880,000 | 594,394 |
| 2027-2031 | 1,125,000 | 356,251 |
| 2032-2034 | 805,000 | 77,660 |
| Totals | \$4,315,000 | \$3,773,684 |

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. During 2006, the County fully repaid a tax anticipation note in the amount of \$153,564 that was issued for geographical information systems. Also during 2006, the County refinanced two revenue anticipation notes. The refinancing for the jet fuel tank was in the amount of \$145,200 that had an outstanding balance at December 31, 2006 of \$124,348. The refinancing for the runway extension at the airpark was in the amount of \$186,389 that remained fully outstanding at December 31, 2006. The County also has an outstanding revenue anticipation note that was issued for a new 911 facility which has an outstanding balance of \$1,378,183 at December 31, 2006. 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.

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, 2006 is \$108,915.

OPWC Road Resurfacing Loan - The outstanding \$42,268 OPWC road resurfacing loan was issued for road repairs and will be repaid through county taxes. The OPWC loan is interest free.

Jefferson County, Ohio
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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, 2006 are as follows:

| Year Ending December 31 | Notes Payable | | SIB Loan | | OPWC Loan |
|----------------------------|--------------------|------------------|------------------|----------------|-----------------|
| | Principal | Interest | Principal | Interest | Principal |
| 2007 | \$180,783 | \$72,122 | \$53,312 | \$3,829 | \$6,502 |
| 2008 | 188,736 | 64,179 | 55,603 | 1,674 | 6,502 |
| 2009 | 197,018 | 55,887 | 0 | 0 | 6,502 |
| 2010 | 205,674 | 47,231 | 0 | 0 | 6,502 |
| 2011 | 214,711 | 38,195 | 0 | 0 | 6,502 |
| 2012-2015 | 701,998 | 68,016 | 0 | 0 | 9,758 |
| Totals | <u>\$1,688,920</u> | <u>\$345,630</u> | <u>\$108,915</u> | <u>\$5,503</u> | <u>\$42,268</u> |

Capital Leases – The County has issued capital leases for office equipment, telephone systems, answering point switches 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.

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 was fully 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 two remaining annual payments which are scheduled as follows:

| Year Ending December 31 | Principal |
|----------------------------|-----------------|
| 2007 | \$16,830 |
| 2008 | <u>16,829</u> |
| Totals | <u>\$33,659</u> |

Jefferson County, Ohio
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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, 2006 are as follows:

| Year Ending December 31 | Principal | Interest |
|----------------------------|------------------|----------------|
| 2007 | \$55,909 | \$4,169 |
| 2008 | 48,881 | 1,184 |
| Totals | <u>\$104,790</u> | <u>\$5,353</u> |

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:

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 2006 was \$4,384 for governmental activities and \$5,575 for business type activities. The issuance costs, \$104,325 for governmental and \$87,503 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 2006 was \$3,726 for governmental activities and \$3,628 for business type activities.

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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:

| <u>Date</u> | <u>Principal Amount Subject to Mandatory Redemption</u> |
|-------------|---|
| 2015 | \$110,000 |
| 2016 | 115,000 |
| 2017 | 125,000 |
| 2018 | 130,000 |
| 2019 * | 140,000 |
| | <u>\$620,000</u> |

* 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:

Jefferson County, Ohio
Notes to the Basic Financial Statements
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| 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:

| 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:

Jefferson County, Ohio
Notes to the Basic Financial Statements
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| 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, 2006 are as follows:

| 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 |
| 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 | 55,000 | 75,214 | 30,000 | 62,758 | 15,000 | 12,999 |
| 2012-2016 | 295,000 | 347,394 | 165,000 | 297,866 | 75,000 | 57,339 |
| 2017-2021 | 375,000 | 267,687 | 220,000 | 252,005 | 100,000 | 36,282 |
| 2022-2026 | 480,000 | 155,707 | 280,000 | 186,807 | 75,000 | 8,061 |
| 2027-2031 | 345,000 | 33,243 | 350,000 | 111,859 | 0 | 0 |
| 2032-2034 | 0 | 0 | 255,000 | 24,703 | 0 | 0 |
| Totals | \$1,750,000 | \$1,193,327 | \$1,420,000 | \$1,194,964 | \$325,000 | \$170,645 |

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. During 2006 the County was approved for a \$300,000 additional OPWC Loan for the Barbers Hollow Wastewater Treatment Plant Improvements. During 2006 the County received \$235,312 in loan proceeds for the ongoing project. The project is scheduled for completion during 2006. Based on the current status of the OPWC Loan, there is a tentative repayment schedule place, but a final loan

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repayment schedule will be provided at the point the project is complete.

The OWDA and OPWC loan debt service requirements to maturity, including the tentative repayment schedule for the ongoing OPWC project are as follows:

| Year Ending December 31 | OWDA Loans | | OPWC Loans |
|----------------------------|--------------------|------------------|------------------|
| | Principal | Interest | Principal |
| 2007 | \$558,897 | \$216,618 | \$76,879 |
| 2008 | 592,435 | 185,036 | 84,379 |
| 2009 | 628,143 | 151,437 | 80,379 |
| 2010 | 666,240 | 115,617 | 76,379 |
| 2011 | 331,937 | 82,269 | 76,379 |
| 2012-2016 | 918,151 | 110,851 | 270,181 |
| 2017-2021 | 0 | 0 | 141,591 |
| 2022-2026 | 0 | 0 | 75,000 |
| 2027 | 0 | 0 | 7,500 |
| Totals | <u>\$3,695,803</u> | <u>\$861,828</u> | <u>\$888,667</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, during 2005 the County received \$6,801,673 in loan proceeds, and during 2006 the County received \$379,320 in loan proceeds. During 2006 the County made \$289,376 of principal payments on the loan. The project was substantially complete at December 31, 2006, but has not been completely finalized. 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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

| Year Ending December 31 | Principal | Interest |
|----------------------------|-------------|-------------|
| 2007 | \$299,167 | \$249,384 |
| 2008 | 309,274 | 239,277 |
| 2009 | 319,721 | 228,830 |
| 2010 | 330,521 | 218,030 |
| 2011 | 341,687 | 206,865 |
| 2012-2016 | 1,889,566 | 853,189 |
| 2017-2021 | 2,231,023 | 511,732 |
| 2022-2025 | 1,797,496 | 122,432 |
| Totals | \$7,518,455 | \$2,629,739 |

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, 2006 are a margin on unvoted debt of \$7,805,393 and an overall debt margin of \$23,062,557.

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, 2006, there is \$20,875,000 in industrial revenue bond issues that have not been completely repaid of which \$2,545,000 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 were due to mature on December 1, 2019, but were subject to an early call provision. 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, 2006 all of the bonds were called and fully repaid.

Jefferson County, Ohio
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For the Year Ended December 31, 2006

NOTE 19 - NOTES PAYABLE

| | Outstanding 12/31/05 | Issued | Retired | Outstanding 12/31/06 |
|--------------------------------------|-------------------------|-----------|-------------|-------------------------|
| <u>Governmental Funds</u> | | | | |
| <i>Special Revenue Fund:</i> | | | | |
| MVGT - Various Road Projects - 3.89% | \$500,000 | \$0 | \$500,000 | \$0 |
| Total Governmental Funds | 500,000 | 0 | 500,000 | 0 |
| | | | | |
| <i>Enterprise Funds:</i> | | | | |
| Water RECDS Consolidation - 5.60% | 104,473 | 0 | 104,473 | 0 |
| Sewer Projects - 4.04% | 700,000 | 750,000 | 700,000 | 750,000 |
| Sewer RECDS Consolidation - 5.60% | 39,869 | 0 | 39,869 | 0 |
| Total Enterprise Funds | 844,342 | 750,000 | 844,342 | 750,000 |
| | | | | |
| Total | \$1,344,342 | \$750,000 | \$1,344,342 | \$750,000 |

During 2006, the county fully repaid the outstanding road projects note with FEMA reimbursements and permissive sales tax revenue. The RECDS Consolidation notes for the water and sewer funds were also fully repaid during 2006 with user charges.

The outstanding sewer projects note is a bond anticipation note which is backed by the full faith and credit of Jefferson County and has a maturity of one year or less, and no long term financing arrangements have been made for this note. The sewer projects note will be repaid through user charges.

Jefferson County, Ohio
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For the Year Ended December 31, 2006

NOTE 20 – INTERNAL BALANCES

Interfund balances at December 31, 2006 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 | Mental Health | MRDD | | | |
| Major Funds: | | | | | | |
| General Fund | \$0 | \$0 | \$0 | \$0 | \$165,401 | \$165,401 |
| Public Assistance | 12,607 | 0 | 0 | 82,338 | 140,619 | 235,564 |
| MVGT | 0 | 0 | 0 | 0 | 80,639 | 80,639 |
| Mental Health | 0 | 0 | 0 | 0 | 10,045 | 10,045 |
| MRDD | 0 | 0 | 0 | 0 | 203,191 | 203,191 |
| Jail Operating | | | | | | |
| Levy | 0 | 0 | 0 | 0 | 2,835,751 | 2,835,751 |
| Sewer | 0 | 0 | 0 | 0 | 5,096 | 5,096 |
| Water | 0 | 0 | 0 | 0 | 77,756 | 77,756 |
| Other Nonmajor | | | | | | |
| Governmental | 268,723 | 0 | 0 | 116,603 | 678,949 | 1,064,275 |
| Self Insurance - | | | | | | |
| Health | 1,525,000 | 943,271 | 2,000,000 | 2,000,000 | 1,868,008 | 8,336,279 |
| Total All Funds | \$1,806,330 | \$943,271 | \$2,000,000 | \$2,198,941 | \$6,065,455 | \$13,013,997 |

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.

Interfund transfers for the year ended December 31, 2006 consisted of the following:

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| <u>Transfer from</u> | <u>Transfer to</u> | | | <u>Totals</u> |
|--------------------------------|----------------------|---------------------------|-----------------------------------|--------------------|
| | Public Assistance | Jail Operating Levy | Other Nonmajor Governmental | |
| General Fund | \$25,150 | \$1,061,352 | \$1,190,621 | \$2,277,123 |
| MVGT Fund | 0 | 0 | 471,960 | 471,960 |
| MRDD Fund | 0 | 0 | 350,000 | 350,000 |
| Other Nonmajor Governmental | 0 | 0 | 548,701 | 548,701 |
| Total All Funds | \$25,150 | \$1,061,352 | \$2,561,282 | \$3,647,784 |

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.

The transfer to the Public Assistance Fund in the amount of \$25,150 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 amount had been previously recorded as an interfund balance, but has not been repaid. There are no plans for this amount to be repaid, and was therefore recorded as a transfer.

NOTE 21 - 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 \$80,528 annual subsidy (approximately 59 percent of the annual revenues of the Commission). The remaining member governments contribute an annual fee that totals \$4,275 per year. The Commission applies for Community Development Block Grants on behalf of member governments and receives approximately \$43,600 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

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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.

NOTE 22 - 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 2006.

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 2006.

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 \$36,540 to BHJ in 2006.

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

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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 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 2006.

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 2006.

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 2006.

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. During 2006, Jefferson County served as fiscal agent for the District, but as of December 13, 2006 the Authority ceased to use the County as fiscal agent. The activity is presented on the financial statements as an agency fund until the point of termination as fiscal agent.

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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 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 2006, 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 2006, the County made no contributions to the Board.

NOTE 23 - 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 2006.

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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 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 2006.

NOTE 24 - 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 2006 was \$431,488.

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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.

NOTE 25 - 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 26 – 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

Jefferson County, Ohio
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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.

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);

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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.

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 the City has taken formal action to appeal the decision. 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, and in 2006 the amount of the credit against the judgment was \$54,610 totaling \$782,000.

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.

Transfer of Property – The County Commissioners resolved on February 9, 2006 to transfer all of the land associated with Friendship Park to the Friendship Park Commission of the Friendship Park District. The Park Commission has been awarded a \$457,993 Clean Ohio Conservation Fund Grant through the Ohio Public Works Commission that will be used to purchase the land from the County. The County has also resolved to donate the purchase amount back to the Park Commission. The land transfer will occur during 2007.

Termination of Recycling and Litter Operations – Effective January 1, 2007, all recycling and litter operations that had been previously provided by Jefferson County have been transferred and are being operated by the Jefferson/Belmont Joint Solid Waste Authority.

Debt – On May 3, 2007, the County issued a \$950,000 General Obligation Bond Anticipation Note for exterior court house renovations. This was a new note issue and has a 4.49% interest rate and was issued for a 10 year period, with a final maturity date of May 3, 2017.

Jefferson County, Ohio
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NOTE 27 - RELATED PARTY TRANSACTIONS

During 2006, 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 \$23,771 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.

NOTE 28 – 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.

Plant and Equipment

Capital 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.

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Jeffco Workshop, Inc. follows the practice of capitalizing, at cost, all expenditures for capital 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 capital 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.

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 2006 or 2005 and Form 990 has been filed for the years ended December 31, 2006 and 2005.

In-kind Contribution

In-kind contributions of services and facilities were valued at \$23,771 and \$30,941 for the years ended December 31, 2006 and 2005, 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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

B. CASH ON HAND AND IN BANK

Cash on hand and in bank as of December 31, 2006 and 2005 consists of the following:

| | December 31, | | | |
|----------------------------------|------------------|------------------|------------------|------------------|
| | 2006 | | 2005 | |
| | <u>Bank</u> | <u>Book</u> | <u>Bank</u> | <u>Book</u> |
| Sky Bank – regular checking | \$ 88,650 | \$ 87,618 | \$ 78,801 | \$ 78,573 |
| Sky Bank – consumer payroll | - | (2,464) | - | (1,550) |
| Sky Bank – Ohio Power payroll | - | - | - | (558) |
| Sky Bank – attendance incentive | - | (790) | - | (540) |
| Sky Bank – special fund checking | 1,944 | 1,944 | 1,039 | 1,039 |
| Sky Bank – special fund savings | 13,720 | 13,720 | 20,230 | 20,230 |
| Sky Bank – starr Ohio savings | 83,674 | 83,674 | 79,717 | 79,717 |
| Smith Barney – money market fund | 2,070 | 2,070 | 2,027 | 2,027 |
| Edward Jones – money market fund | <u>2,787</u> | <u>2,787</u> | <u>2,627</u> | <u>2,627</u> |
| Total cash in bank | 192,845 | 188,559 | 184,441 | 181,565 |
| Petty cash | <u>-</u> | <u>679</u> | <u>-</u> | <u>553</u> |
| Total cash on hand | <u>-</u> | <u>679</u> | <u>-</u> | <u>553</u> |
| Total cash on hand and in bank | <u>\$192,845</u> | <u>\$189,238</u> | <u>\$184,441</u> | <u>\$182,118</u> |

C. INVESTMENTS

Following is a summary of the investments account at December 31, 2006 and 2005:

| | <u>Rate</u> | <u>Maturity</u> | December 31, | |
|--------------------------|-------------|-----------------|--------------|-------------|
| | | | <u>2006</u> | <u>2005</u> |
| Mutual Funds | | | | |
| Smith Barney | Varies | - | \$ 54,091 | \$ 53,012 |
| Edward Jones | Varies | - | 27,103 | 16,382 |
| Certificates of Deposit: | | | | |
| Sky Bank | 4.75% | 04-13-07 | 40,036 | 38,283 |
| Sky Bank | 4.75% | 04-28-07 | 65,962 | 63,625 |
| Sky Bank | 4.75% | 04-30-07 | 56,759 | 54,252 |
| Sky Bank | 4.65% | 05-06-07 | 127,527 | 122,043 |
| Wesbanco | 3.50% | 04-28-06 | - | 47,177 |
| Parkvale Bank | 2.58% | 05-29-06 | - | 45,958 |
| Sky Bank | 3.75% | 08-16-06 | - | 54,675 |
| National City Bank | 4.75% | 05-04-07 | 52,079 | 49,894 |
| National City Bank | 4.75% | 05-04-07 | 42,786 | 40,991 |
| Wesbanco | 4.80% | 05-28-07 | 48,992 | - |
| National City Bank | 3.00% | 07-13-07 | 70,144 | 68,101 |
| Treasury Bank | 3.10% | 10-22-07 | 35,000 | 35,000 |
| Bank One | 4.50% | 01-11-08 | 95,764 | 93,249 |
| Wesbanco | 2.97% | 09-16-08 | - | 44,220 |
| Parkvale Bank | 5.25% | 05-31-09 | 48,066 | - |

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

INVESTMENTS (continued)

| | | | | |
|--------------------------------|-------|----------|-------------------|------------------|
| National City Bank | 5.25% | 08-16-09 | 101,759 | - |
| Sky Bank | 5.36% | 09-20-09 | 45,807 | - |
| 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> |
| | | | 1,051,875 | 966,862 |
| Less: current portion | | | <u>(539,285)</u> | <u>(495,407)</u> |
| | | | <u>\$ 512,590</u> | <u>\$471,455</u> |

An analysis of unrealized gain (loss) at December 31, 2006 and 2005 is as follows:

| <u>Investment</u> | <u>December 31, 2006</u> | | |
|---|--------------------------|------------------|-----------------------------------|
| | <u>Cost</u> | <u>Market</u> | <u>Unrealized Gain (Loss)</u> |
| Mutual Fund – Smith Barney | \$ 55,619 | \$ 54,091 | \$(1,528) |
| Mutual Fund – Edward Jones | 24,264 | 27,103 | 2,839 |
| Bond - Household Finance Corp. (11-15-10) | 35,000 | 33,644 | (1,356) |
| Bond - Caterpillar Financial (11-15-12) | 35,000 | 33,731 | (1,269) |
| Bond - Household Finance Corp. (11-15-13) | 35,000 | 34,563 | (437) |
| FHLMC | <u>35,000</u> | <u>33,830</u> | <u>(1,170)</u> |
| Total | <u>\$219,883</u> | <u>\$216,962</u> | <u>\$(2,921)</u> |

| <u>Investment</u> | <u>December 31, 2005</u> | | |
|---|--------------------------|------------------|-----------------------------------|
| | <u>Cost</u> | <u>Market</u> | <u>Unrealized Gain (Loss)</u> |
| 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> |

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2006

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 \$316,667 (81%) of the gross revenues in 2006 and five customers accounted for approximately \$335,730 (78%) of the gross revenues in 2005. 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.

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, 2006 and 2005 respectively, the total uninsured balance in these accounts was \$549,035 and \$101,830.

**Combining Statements
And
Individual Fund Schedules**

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 Fund is 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 fund:

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.

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

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|---|-------------------------------------|---|--|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$3,305,459 | \$2,000,474 | \$764,659 | \$6,070,592 |
| Cash and Cash Equivalents in Segregated Accounts | 706,366 | 0 | 0 | 706,366 |
| Cash and Cash Equivalents in Fiscal Agents | 0 | 84,919 | 0 | 84,919 |
| Restricted Assets: | | | | |
| Investments with Fiscal Agents | 954,732 | 0 | 0 | 954,732 |
| Materials and Supplies Inventory | 49,243 | 0 | 0 | 49,243 |
| Receivables: | | | | |
| Property Taxes | 3,373,863 | 1,346,721 | 0 | 4,720,584 |
| Permissive Sales Taxes | 213,062 | 186,396 | 0 | 399,458 |
| Accounts | 1,585 | 0 | 0 | 1,585 |
| Intergovernmental | 2,150,595 | 65,170 | 0 | 2,215,765 |
| Interfund | 2,082,338 | 0 | 116,603 | 2,198,941 |
| Prepaid Items | 42,813 | 0 | 0 | 42,813 |
| <i>Total Assets</i> | <u>\$12,880,056</u> | <u>\$3,683,680</u> | <u>\$881,262</u> | <u>\$17,444,998</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$342,046 | \$0 | \$31,225 | \$373,271 |
| Accrued Wages and Benefits | 136,562 | 0 | 0 | 136,562 |
| Contracts Payable | 0 | 0 | 380,618 | 380,618 |
| Matured Severance Payable | 7,322 | 0 | 0 | 7,322 |
| Retainage Payable | 0 | 0 | 50,152 | 50,152 |
| Interfund Payable | 1,064,275 | 0 | 0 | 1,064,275 |
| Intergovernmental Payable | 87,407 | 0 | 0 | 87,407 |
| Deferred Revenue | 5,103,877 | 1,411,891 | 0 | 6,515,768 |
| <i>Total Liabilities</i> | <u>6,741,489</u> | <u>1,411,891</u> | <u>461,995</u> | <u>8,615,375</u> |
| Fund Balances | | | | |
| Reserved for Encumbrances | 1,693 | 0 | 0 | 1,693 |
| Reserved for Children's Home | 954,732 | 0 | 0 | 954,732 |
| Unreserved, Undesignated, Reported in: | | | | |
| Special Revenue Funds | 5,182,142 | 0 | 0 | 5,182,142 |
| Debt Service Funds | 0 | 2,271,789 | 0 | 2,271,789 |
| Capital Projects Funds | 0 | 0 | 419,267 | 419,267 |
| <i>Total Fund Balances</i> | <u>6,138,567</u> | <u>2,271,789</u> | <u>419,267</u> | <u>8,829,623</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$12,880,056</u> | <u>\$3,683,680</u> | <u>\$881,262</u> | <u>\$17,444,998</u> |

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

| | Miscellaneous Local | Court/Corrections and Public Safety | Emergency 911 | Permissive Sheriff |
|--|------------------------|--|--------------------|--------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$1,416,073 | \$1,066,215 | \$121,809 | \$0 |
| Cash and Cash Equivalents in Segregated Accounts | 0 | 662,411 | 0 | 22,536 |
| Restricted Assets: | | | | |
| Investments with Fiscal Agents | 0 | 0 | 0 | 0 |
| Materials and Supplies Inventory | 40,760 | 0 | 980 | 3,310 |
| Receivables: | | | | |
| Property Taxes | 0 | 0 | 1,419,263 | 0 |
| Permissive Sales Taxes | 0 | 0 | 0 | 213,062 |
| Accounts | 1,585 | 0 | 0 | 0 |
| Intergovernmental | 395,647 | 317,417 | 185,299 | 6,772 |
| Interfund | 0 | 26,838 | 0 | 55,500 |
| Prepaid Items | 10,265 | 0 | 4,932 | 27,616 |
| <i>Total Assets</i> | <u>\$1,864,330</u> | <u>\$2,072,881</u> | <u>\$1,732,283</u> | <u>\$328,796</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$36,517 | \$62,861 | \$13,686 | \$33,213 |
| Accrued Wages and Benefits | 44,332 | 15,377 | 20,926 | 50,060 |
| Contracts Payable | 0 | 0 | 0 | 0 |
| Matured Severance Payable | 7,322 | 0 | 0 | 0 |
| Interfund Payable | 154,680 | 15,466 | 117,631 | 562,112 |
| Intergovernmental Payable | 27,358 | 10,931 | 11,244 | 34,382 |
| Deferred Revenue | 207,478 | 163,188 | 1,604,562 | 0 |
| <i>Total Liabilities</i> | <u>477,687</u> | <u>267,823</u> | <u>1,768,049</u> | <u>679,767</u> |
| Fund Balances (Deficit) | | | | |
| Reserved for Encumbrances | 1,080 | 450 | 0 | 0 |
| Reserved for Children's Home | 0 | 0 | 0 | 0 |
| Unreserved, Undesignated, Reported in: | | | | |
| Special Revenue Funds | 1,385,563 | 1,804,608 | (35,766) | (350,971) |
| <i>Total Fund Balances (Deficit)</i> | <u>1,386,643</u> | <u>1,805,058</u> | <u>(35,766)</u> | <u>(350,971)</u> |
| <i>Total Liabilities and Fund Balances</i> | <u>\$1,864,330</u> | <u>\$2,072,881</u> | <u>\$1,732,283</u> | <u>\$328,796</u> |

| Tuberculosis/ Crippled Child Levy | Children Services | Community Development Block Grant | Senior Citizens Levy | Total Nonmajor Special Revenue Funds |
|--------------------------------------|--------------------|---|----------------------------|---|
| \$57,112 | \$557,629 | \$29,888 | \$56,733 | \$3,305,459 |
| 0 | 21,419 | 0 | 0 | 706,366 |
| 0 | 954,732 | 0 | 0 | 954,732 |
| 0 | 4,193 | 0 | 0 | 49,243 |
| 0 | 826,485 | 0 | 1,128,115 | 3,373,863 |
| 0 | 0 | 0 | 0 | 213,062 |
| 0 | 0 | 0 | 0 | 1,585 |
| 0 | 146,467 | 1,024,865 | 74,128 | 2,150,595 |
| 2,000,000 | 0 | 0 | 0 | 2,082,338 |
| 0 | 0 | 0 | 0 | 42,813 |
| <u>\$2,057,112</u> | <u>\$2,510,925</u> | <u>\$1,054,753</u> | <u>\$1,258,976</u> | <u>\$12,880,056</u> |
| \$0 | \$158,240 | \$37,529 | \$0 | \$342,046 |
| 0 | 5,867 | 0 | 0 | 136,562 |
| 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 7,322 |
| 0 | 97,783 | 116,603 | 0 | 1,064,275 |
| 0 | 3,492 | 0 | 0 | 87,407 |
| 0 | 972,952 | 953,454 | 1,202,243 | 5,103,877 |
| 0 | 1,238,334 | 1,107,586 | 1,202,243 | 6,741,489 |
| 163 | 0 | 0 | 0 | 1,693 |
| 0 | 954,732 | 0 | 0 | 954,732 |
| <u>2,056,949</u> | <u>317,859</u> | <u>(52,833)</u> | <u>56,733</u> | <u>5,182,142</u> |
| <u>2,057,112</u> | <u>1,272,591</u> | <u>(52,833)</u> | <u>56,733</u> | <u>6,138,567</u> |
| <u>\$2,057,112</u> | <u>\$2,510,925</u> | <u>\$1,054,753</u> | <u>\$1,258,976</u> | <u>\$12,880,056</u> |

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

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Fund | Total Nonmajor Governmental Funds |
|--|---|-------------------------------------|---|--|
| Revenues | | | | |
| Property Taxes | \$3,170,483 | \$1,141,484 | \$0 | \$4,311,967 |
| Permissive Sales Taxes | 1,283,400 | 1,145,131 | 0 | 2,428,531 |
| Charges for Services | 1,635,292 | 0 | 0 | 1,635,292 |
| Licenses and Permits | 366,260 | 0 | 0 | 366,260 |
| Fines and Forfeitures | 392,532 | 0 | 0 | 392,532 |
| Intergovernmental | 7,556,978 | 117,910 | 239,643 | 7,914,531 |
| Interest | 75,318 | 0 | 0 | 75,318 |
| Rent | 40,356 | 310,561 | 0 | 350,917 |
| Other | 92,630 | 0 | 13,980 | 106,610 |
| <i>Total Revenues</i> | <u>14,613,249</u> | <u>2,715,086</u> | <u>253,623</u> | <u>17,581,958</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 1,090,181 | 0 | 0 | 1,090,181 |
| Judicial | 198,491 | 0 | 0 | 198,491 |
| Public Safety | 5,506,754 | 0 | 0 | 5,506,754 |
| Public Works | 987,813 | 0 | 0 | 987,813 |
| Health | 306,002 | 0 | 0 | 306,002 |
| Human Services | 6,430,797 | 0 | 0 | 6,430,797 |
| Economic Development and Assistance | 1,180,764 | 0 | 0 | 1,180,764 |
| Capital Outlay | 473,775 | 0 | 1,760,850 | 2,234,625 |
| Debt Service: | | | | |
| Principal Retirement | 129,973 | 1,980,926 | 0 | 2,110,899 |
| Interest and Fiscal Charges | 13,293 | 1,340,597 | 0 | 1,353,890 |
| Interest on Capital Appreciation Bonds | 0 | 556,829 | 0 | 556,829 |
| <i>Total Expenditures</i> | <u>16,317,843</u> | <u>3,878,352</u> | <u>1,760,850</u> | <u>21,957,045</u> |
| <i>Excess of Revenues Under Expenditures</i> | <u>(1,704,594)</u> | <u>(1,163,266)</u> | <u>(1,507,227)</u> | <u>(4,375,087)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 1,129,390 | 1,081,892 | 350,000 | 2,561,282 |
| Notes Issued | 0 | 331,589 | 0 | 331,589 |
| Inception of Capital Lease | 473,775 | 0 | 0 | 473,775 |
| Transfers Out | (548,701) | 0 | 0 | (548,701) |
| Total Other Financing Sources (Uses) | <u>1,054,464</u> | <u>1,413,481</u> | <u>350,000</u> | <u>2,817,945</u> |
| <i>Net Change in Fund Balances</i> | (650,130) | 250,215 | (1,157,227) | (1,557,142) |
| <i>Fund Balances Beginning of Year</i> | <u>6,788,697</u> | <u>2,021,574</u> | <u>1,576,494</u> | <u>10,386,765</u> |
| <i>Fund Balances End of Year</i> | <u>\$6,138,567</u> | <u>\$2,271,789</u> | <u>\$419,267</u> | <u>\$8,829,623</u> |

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

| | Miscellaneous Local | Court/Corrections and Public Safety | Emergency 911 | Permissive Sheriff |
|---|---------------------------|--|--------------------------|---------------------------|
| Revenues | | | | |
| Property Taxes | \$0 | \$0 | \$1,277,840 | \$0 |
| Permissive Sales Taxes | 0 | 0 | 0 | 1,283,400 |
| Charges for Services | 1,268,845 | 171,978 | 0 | 166,787 |
| Licenses and Permits | 342,915 | 23,345 | 0 | 0 |
| Fines and Forfeitures | 11,471 | 381,061 | 0 | 0 |
| Intergovernmental | 1,664,806 | 1,608,122 | 505,649 | 89,566 |
| Interest | 727 | 0 | 0 | 0 |
| Rent | 14,240 | 0 | 26,116 | 0 |
| Other | 49,234 | 0 | 8,700 | 26,346 |
| <i>Total Revenues</i> | <u>3,352,238</u> | <u>2,184,506</u> | <u>1,818,305</u> | <u>1,566,099</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 1,090,181 | 0 | 0 | 0 |
| Judicial | 1,861 | 196,630 | 0 | 0 |
| Public Safety | 3,383 | 1,427,718 | 1,539,827 | 2,535,826 |
| Public Works | 287,113 | 0 | 0 | 0 |
| Health | 123,409 | 0 | 0 | 0 |
| Human Services | 1,607,678 | 0 | 0 | 0 |
| Economic Development and Assistance | 267,737 | 0 | 0 | 0 |
| Capital Outlay | 0 | 140,371 | 333,404 | 0 |
| Debt Service: | | | | |
| Principal Retirement | 0 | 5,770 | 111,089 | 13,114 |
| Interest and Fiscal Charges | 0 | 2,770 | 9,221 | 1,302 |
| <i>Total Expenditures</i> | <u>3,381,362</u> | <u>1,773,259</u> | <u>1,993,541</u> | <u>2,550,242</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>(29,124)</u> | <u>411,247</u> | <u>(175,236)</u> | <u>(984,143)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 183,584 | 36,241 | 0 | 909,565 |
| Inception of Capital Lease | 0 | 140,371 | 333,404 | 0 |
| Transfers Out | 0 | 0 | (525,549) | (23,152) |
| <i>Total Other Financing Sources (Uses)</i> | <u>183,584</u> | <u>176,612</u> | <u>(192,145)</u> | <u>886,413</u> |
| <i>Net Change in Fund Balances</i> | 154,460 | 587,859 | (367,381) | (97,730) |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>1,232,183</u> | <u>1,217,199</u> | <u>331,615</u> | <u>(253,241)</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u><u>\$1,386,643</u></u> | <u><u>\$1,805,058</u></u> | <u><u>(\$35,766)</u></u> | <u><u>(\$350,971)</u></u> |

| Tuberculosis/ Crippled Child Levy | Children Services | Community Development Block Grant | Federal Emergency Management Assistance | Senior Citizens Levy | Total Nonmajor Special Revenue Funds |
|--------------------------------------|--------------------|---|--|----------------------------|---|
| \$657 | \$783,802 | \$0 | \$0 | \$1,108,184 | \$3,170,483 |
| 0 | 0 | 0 | 0 | 0 | 1,283,400 |
| 0 | 27,682 | 0 | 0 | 0 | 1,635,292 |
| 0 | 0 | 0 | 0 | 0 | 366,260 |
| 0 | 0 | 0 | 0 | 0 | 392,532 |
| 67,555 | 2,116,238 | 767,873 | 700,700 | 36,469 | 7,556,978 |
| 0 | 74,591 | 0 | 0 | 0 | 75,318 |
| 0 | 0 | 0 | 0 | 0 | 40,356 |
| 0 | 0 | 8,350 | 0 | 0 | 92,630 |
| <u>68,212</u> | <u>3,002,313</u> | <u>776,223</u> | <u>700,700</u> | <u>1,144,653</u> | <u>14,613,249</u> |
| 0 | 0 | 0 | 0 | 0 | 1,090,181 |
| 0 | 0 | 0 | 0 | 0 | 198,491 |
| 0 | 0 | 0 | 0 | 0 | 5,506,754 |
| 0 | 0 | 0 | 700,700 | 0 | 987,813 |
| 182,593 | 0 | 0 | 0 | 0 | 306,002 |
| 0 | 3,689,628 | 0 | 0 | 1,133,491 | 6,430,797 |
| 0 | 0 | 913,027 | 0 | 0 | 1,180,764 |
| 0 | 0 | 0 | 0 | 0 | 473,775 |
| 0 | 0 | 0 | 0 | 0 | 129,973 |
| 0 | 0 | 0 | 0 | 0 | 13,293 |
| <u>182,593</u> | <u>3,689,628</u> | <u>913,027</u> | <u>700,700</u> | <u>1,133,491</u> | <u>16,317,843</u> |
| <u>(114,381)</u> | <u>(687,315)</u> | <u>(136,804)</u> | <u>0</u> | <u>11,162</u> | <u>(1,704,594)</u> |
| 0 | 0 | 0 | 0 | 0 | 1,129,390 |
| 0 | 0 | 0 | 0 | 0 | 473,775 |
| 0 | 0 | 0 | 0 | 0 | (548,701) |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,054,464</u> |
| <u>(114,381)</u> | <u>(687,315)</u> | <u>(136,804)</u> | <u>0</u> | <u>11,162</u> | <u>(650,130)</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>\$2,057,112</u> | <u>\$1,272,591</u> | <u>(\$52,833)</u> | <u>\$0</u> | <u>\$56,733</u> | <u>\$6,138,567</u> |

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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, 2006

| | Self Insurance Health | Self Insurance Workers' Compensation | Total Internal Service Funds |
|---|--------------------------|--|------------------------------------|
| Assets | | | |
| Current Assets: | | | |
| Equity in Pooled Cash and Cash Equivalents | \$0 | \$48,247 | \$48,247 |
| Cash and Cash Equivalents with Fiscal Agents | 5,292,993 | 0 | 5,292,993 |
| Receivables: | | | |
| Accounts | 174,014 | 0 | 174,014 |
| Interfund | 0 | 6,065,455 | 6,065,455 |
| <i>Total Assets</i> | <i>5,467,007</i> | <i>6,113,702</i> | <i>11,580,709</i> |
| Liabilities | | | |
| Current Liabilities: | | | |
| Interfund Payable | 8,336,279 | 0 | 8,336,279 |
| Intergovernmental Payable | 0 | 389,120 | 389,120 |
| Claims Payable - Health Benefits | 465,553 | 0 | 465,553 |
| Claims Payable - Workers' Compensation | 0 | 482,750 | 482,750 |
| <i>Total Current Liabilities</i> | <i>8,801,832</i> | <i>871,870</i> | <i>9,673,702</i> |
| Long-Term Liabilities (Net of Current Portion): | | | |
| Claims Payable - Workers' Compensation | 0 | 1,229,361 | 1,229,361 |
| <i>Total Liabilities</i> | <i>8,801,832</i> | <i>2,101,231</i> | <i>10,903,063</i> |
| Net Assets | | | |
| Unrestricted (Deficit) | (3,334,825) | 4,012,471 | 677,646 |
| <i>Total Net Assets (Deficit)</i> | <i>(\$3,334,825)</i> | <i>\$4,012,471</i> | <i>\$677,646</i> |

Jefferson County, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2006

| | Self Insurance Health | Self Insurance Workers' Compensation | Total Internal Service Funds |
|---|-----------------------------|--|------------------------------------|
| Operating Revenues | | | |
| Charges for Services | \$6,421,285 | \$1,076,824 | \$7,498,109 |
| <i>Total Operating Revenues</i> | <u>6,421,285</u> | <u>1,076,824</u> | <u>7,498,109</u> |
| Operating Expenses | | | |
| Contractual Services | 1,250,054 | 389,120 | 1,639,174 |
| Claims | 3,147,968 | (100,796) | 3,047,172 |
| <i>Total Operating Expenses</i> | <u>4,398,022</u> | <u>288,324</u> | <u>4,686,346</u> |
| <i>Operating Income</i> | <u>2,023,263</u> | <u>788,500</u> | <u>2,811,763</u> |
| Non-Operating Revenues | | | |
| Interest | 172,749 | 0 | 172,749 |
| Other Non-Operating Revenues | 0 | 17,603 | 17,603 |
| <i>Total Non-Operating Revenues</i> | <u>172,749</u> | <u>17,603</u> | <u>190,352</u> |
| <i>Change in Net Assets</i> | 2,196,012 | 806,103 | 3,002,115 |
| <i>Net Assets (Deficit) Beginning of Year</i> | <u>(5,530,837)</u> | <u>3,206,368</u> | <u>(2,324,469)</u> |
| <i>Net Assets (Deficit) End of Year</i> | <u><u>(\$3,334,825)</u></u> | <u><u>\$4,012,471</u></u> | <u><u>\$677,646</u></u> |

Jefferson County, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2006

| | Self Insurance Health | Self Insurance Workers' Compensation | Total |
|--|---------------------------|--|---------------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | | |
| Cash Flows from Operating Activities | | | |
| Cash Received from Customers | \$6,421,285 | \$1,076,824 | \$7,498,109 |
| Cash Payments for Goods and Services | (1,250,054) | (410,726) | (1,660,780) |
| Cash Payments for Claims | (4,323,967) | (646,805) | (4,970,772) |
| Other Operating Revenues | 1,021,419 | 0 | 1,021,419 |
| Other Non-Operating Revenues | 0 | 17,603 | 17,603 |
| <i>Net Cash Provided by Operating Activities</i> | <u>1,868,683</u> | <u>36,896</u> | <u>1,905,579</u> |
| Cash Flows from Noncapital Financing Activities | | | |
| Interfund Loan | (744,708) | 11,351 | (733,357) |
| <i>Net Cash Provided by (Used in) Noncapital Financing Activities</i> | <u>(744,708)</u> | <u>11,351</u> | <u>(733,357)</u> |
| Cash Flows from Investing Activities | | | |
| Interest | 172,749 | 0 | 172,749 |
| <i>Net Cash Provided by Investing Activities</i> | <u>172,749</u> | <u>0</u> | <u>172,749</u> |
| <i>Net Increase in Cash and Cash Equivalents</i> | 1,296,724 | 48,247 | 1,344,971 |
| <i>Cash and Cash Equivalents Beginning of Year</i> | <u>3,996,269</u> | <u>0</u> | <u>3,996,269</u> |
| <i>Cash and Cash Equivalents End of Year</i> | <u><u>\$5,292,993</u></u> | <u><u>\$48,247</u></u> | <u><u>\$5,341,240</u></u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities | | | |
| Operating Income | \$2,023,263 | \$788,500 | \$2,811,763 |
| Adjustments: | | | |
| Non-Operating Revenues | 0 | 17,603 | 17,603 |
| Changes in Assets and Liabilities: | | | |
| Decrease in Accounts Receivable | 313,098 | 0 | 313,098 |
| Decrease in Claims Payable | (467,678) | (747,601) | (1,215,279) |
| Decrease in Intergovernmental Payable | 0 | (21,606) | (21,606) |
| <i>Net Cash Provided by Operating Activities</i> | <u><u>\$1,868,683</u></u> | <u><u>\$36,896</u></u> | <u><u>\$1,905,579</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 Authority 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, 2006

| | <u>Balance 12/31/05</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/06</u> |
|---|-----------------------------|--------------------|--------------------|-----------------------------|
| <i>Board of Health:</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and Cash Equivalents | \$195,209 | \$1,571,459 | \$1,503,743 | \$262,925 |
| Total Assets | <u>\$195,209</u> | <u>\$1,571,459</u> | <u>\$1,503,743</u> | <u>\$262,925</u> |
| <u>Liabilities:</u> | | | | |
| Undistributed Monies | \$195,209 | \$1,571,459 | \$1,503,743 | \$262,925 |
| Total Liabilities | <u>\$195,209</u> | <u>\$1,571,459</u> | <u>\$1,503,743</u> | <u>\$262,925</u> |
| | | | | |
| <i>East Ohio Correctional Center (EOCC):</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and Cash Equivalents | \$178,610 | \$3,196,769 | \$3,114,348 | \$261,031 |
| Total Assets | <u>\$178,610</u> | <u>\$3,196,769</u> | <u>\$3,114,348</u> | <u>\$261,031</u> |
| <u>Liabilities:</u> | | | | |
| Undistributed Monies | \$178,610 | \$3,196,769 | \$3,114,348 | \$261,031 |
| Total Liabilities | <u>\$178,610</u> | <u>\$3,196,769</u> | <u>\$3,114,348</u> | <u>\$261,031</u> |
| | | | | |
| <i>Jefferson/Belmont Joint Solid Waste Authority:</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and Cash Equivalents | \$172,812 | \$75,360 | \$248,172 | \$0 |
| Total Assets | <u>\$172,812</u> | <u>\$75,360</u> | <u>\$248,172</u> | <u>\$0</u> |
| <u>Liabilities:</u> | | | | |
| Undistributed Monies | \$172,812 | \$75,360 | \$248,172 | \$0 |
| Total Liabilities | <u>\$172,812</u> | <u>\$75,360</u> | <u>\$248,172</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, 2006

| | <u>Balance 12/31/05</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/06</u> |
|---------------------------------|-----------------------------|---------------------|---------------------|-----------------------------|
| <i>Taxes Agency:</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and | | | | |
| Cash Equivalents | \$1,438,156 | \$49,764,843 | \$49,822,920 | \$1,380,079 |
| Receivables: | | | | |
| Property Taxes | 42,310,195 | 44,292,766 | 42,310,195 | 44,292,766 |
| Accounts | 439,158 | 442,638 | 439,158 | 442,638 |
| Special Assessments | 416,987 | 348,053 | 416,987 | 348,053 |
| Intergovernmental | 1,566,020 | 1,599,685 | 1,566,020 | 1,599,685 |
| Total Assets | <u>\$46,170,516</u> | <u>\$96,447,985</u> | <u>\$94,555,280</u> | <u>\$48,063,221</u> |
| <u>Liabilities:</u> | | | | |
| Intergovernmental Payable | \$44,526,788 | \$46,683,142 | \$44,526,788 | \$46,683,142 |
| Undistributed Monies | 1,643,728 | 49,764,843 | 50,028,492 | 1,380,079 |
| Total Liabilities | <u>\$46,170,516</u> | <u>\$96,447,985</u> | <u>\$94,555,280</u> | <u>\$48,063,221</u> |
| | | | | |
| <i>Undivided State Monies:</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and | | | | |
| Cash Equivalents | \$0 | \$3,116,338 | \$3,116,338 | \$0 |
| Receivables: | | | | |
| Intergovernmental | 1,684,092 | 1,673,182 | 1,684,092 | 1,673,182 |
| Total Assets | <u>\$1,684,092</u> | <u>\$4,789,520</u> | <u>\$4,800,430</u> | <u>\$1,673,182</u> |
| <u>Liabilities:</u> | | | | |
| Intergovernmental Payable | \$1,684,092 | \$1,673,182 | \$1,684,092 | \$1,673,182 |
| Undistributed Monies | 0 | 3,116,338 | 3,116,338 | 0 |
| Total Liabilities | <u>\$1,684,092</u> | <u>\$4,789,520</u> | <u>\$4,800,430</u> | <u>\$1,673,182</u> |
| | | | | |
| <i>Corporation/Subdivision:</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and | | | | |
| Cash Equivalents | \$0 | \$33,209,927 | \$33,209,927 | \$0 |
| Total Assets | <u>\$0</u> | <u>\$33,209,927</u> | <u>\$33,209,927</u> | <u>\$0</u> |
| <u>Liabilities:</u> | | | | |
| Undistributed Monies | \$0 | \$33,209,927 | \$33,209,927 | \$0 |
| Total Liabilities | <u>\$0</u> | <u>\$33,209,927</u> | <u>\$33,209,927</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, 2006

| | <u>Balance 12/31/05</u> | <u>Additions</u> | <u>Reductions</u> | <u>Balance 12/31/06</u> |
|---|-----------------------------|--------------------|--------------------|-----------------------------|
| <i>Miscellaneous Court/Safety:</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and | | | | |
| Cash Equivalents | \$2,959 | \$14,845 | \$13,641 | \$4,163 |
| Accounts Receivable | 623,821 | 609,735 | 623,821 | 609,735 |
| Total Assets | <u>\$626,780</u> | <u>\$624,580</u> | <u>\$637,462</u> | <u>\$613,898</u> |
| <u>Liabilities:</u> | | | | |
| Intergovernmental Payable | \$387,199 | \$378,457 | \$387,199 | \$378,457 |
| Undistributed Monies | 239,581 | 246,123 | 250,263 | 235,441 |
| Total Liabilities | <u>\$626,780</u> | <u>\$624,580</u> | <u>\$637,462</u> | <u>\$613,898</u> |
| | | | | |
| <i>Family and Children First Council:</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and | | | | |
| Cash Equivalents | \$51,557 | \$432,332 | \$423,998 | \$59,891 |
| Total Assets | <u>\$51,557</u> | <u>\$432,332</u> | <u>\$423,998</u> | <u>\$59,891</u> |
| <u>Liabilities:</u> | | | | |
| Undistributed Monies | \$51,557 | \$432,332 | \$423,998 | \$59,891 |
| Total Liabilities | <u>\$51,557</u> | <u>\$432,332</u> | <u>\$423,998</u> | <u>\$59,891</u> |
| | | | | |
| <i>Other Agency:</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and | | | | |
| Cash Equivalents | \$660,544 | \$4,464,372 | \$4,298,590 | \$826,326 |
| Receivables: | | | | |
| Intergovernmental | 1,621,603 | 1,621,603 | 1,621,603 | 1,621,603 |
| Total Assets | <u>\$2,282,147</u> | <u>\$6,085,975</u> | <u>\$5,920,193</u> | <u>\$2,447,929</u> |
| <u>Liabilities:</u> | | | | |
| Intergovernmental Payable | \$1,621,603 | \$1,621,603 | \$1,621,603 | \$1,621,603 |
| Undistributed Monies | 660,544 | 4,464,372 | 4,298,590 | 826,326 |
| Total Liabilities | <u>\$2,282,147</u> | <u>\$6,085,975</u> | <u>\$5,920,193</u> | <u>\$2,447,929</u> |

(Continued)

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2006

| | Balance 12/31/05 | Additions | Reductions | Balance 12/31/06 |
|----------------------------------|-----------------------------|----------------------|----------------------|-----------------------------|
| <i>Total - All Agency Funds:</i> | | | | |
| <u>Assets:</u> | | | | |
| Cash and | | | | |
| Cash Equivalents | \$2,699,847 | \$95,846,245 | \$95,751,677 | \$2,794,415 |
| Receivables: | | | | |
| Property Taxes | 42,310,195 | 44,292,766 | 42,310,195 | 44,292,766 |
| Accounts | 1,062,979 | 1,052,373 | 1,062,979 | 1,052,373 |
| Special Assessments | 416,987 | 348,053 | 416,987 | 348,053 |
| Intergovernmental | 4,871,715 | 4,894,470 | 4,871,715 | 4,894,470 |
| Total Assets | \$51,361,723 | \$146,433,907 | \$144,413,553 | \$53,382,077 |
| <u>Liabilities:</u> | | | | |
| Intergovernmental Payable | \$48,219,682 | \$50,356,384 | \$48,219,682 | \$50,356,384 |
| Undistributed Monies | 3,142,041 | 96,077,523 | 96,193,871 | 3,025,693 |
| Total Liabilities | \$51,361,723 | \$146,433,907 | \$144,413,553 | \$53,382,077 |

**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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|-------------------------|-------------------|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$1,864,888 | \$1,864,888 | \$0 |
| Permissive Sales Taxes | 4,350,055 | 4,350,055 | 0 |
| Charges for Services | 2,601,111 | 2,601,111 | 0 |
| Licenses and Permits | 4,465 | 4,465 | 0 |
| Fines and Forfeitures | 363,150 | 363,150 | 0 |
| Intergovernmental | 2,982,928 | 2,982,928 | 0 |
| Interest | 640,407 | 640,407 | 0 |
| Other | 48,720 | 48,720 | 0 |
| Total Revenues | 12,855,724 | 12,855,724 | 0 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| General Government - | | | |
| Legislative and Executive | | | |
| Commissioners | | | |
| Salary and Wages | 257,177 | 257,177 | 0 |
| Fringe Benefits | 97,386 | 92,964 | 4,422 |
| Materials and Supplies | 2,500 | 2,390 | 110 |
| Other | 15,038 | 12,338 | 2,700 |
| Total Commissioners | 372,101 | 364,869 | 7,232 |
| Auditor | | | |
| Salary and Wages | 339,569 | 333,332 | 6,237 |
| Fringe Benefits | 133,938 | 126,519 | 7,419 |
| Materials and Supplies | 10,777 | 10,263 | 514 |
| Contractual Services | 4,583 | 4,256 | 327 |
| Other | 4,000 | 4,000 | 0 |
| Total Auditor | 492,867 | 478,370 | 14,497 |
| Permissive Sales Tax | | | |
| Capital Outlay | 366,320 | 252,394 | 113,926 |
| Other | 479,564 | 277,751 | 201,813 |
| Total Permissive Sales Tax | 845,884 | 530,145 | 315,739 |
| Treasurer | | | |
| Salary and Wages | 138,377 | 138,322 | 55 |
| Fringe Benefits | 74,986 | 71,983 | 3,003 |
| Materials and Supplies | 13,137 | 12,574 | 563 |
| Contractual Services | 8,566 | 8,510 | 56 |
| Other | 1,360 | 1,310 | 50 |
| Total Treasurer | 236,426 | 232,699 | 3,727 |

(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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|------------------------------------|-------------------------|----------------|---|
| Prosecuting Attorney | | | |
| Salary and Wages | \$597,082 | \$597,082 | \$0 |
| Fringe Benefits | 183,598 | 183,523 | 75 |
| Materials and Supplies | 29,500 | 15,312 | 14,188 |
| Contractual Services | 25,000 | 22,953 | 2,047 |
| Other | 85,270 | 78,793 | 6,477 |
| | <u>920,450</u> | <u>897,663</u> | <u>22,787</u> |
| Budget Commission | | | |
| Other | 450 | 402 | 48 |
| | <u>450</u> | <u>402</u> | <u>48</u> |
| Bureau of Inspection | | | |
| Examinations - County Offices | 102,339 | 102,339 | 0 |
| | <u>102,339</u> | <u>102,339</u> | <u>0</u> |
| County Planning Commission | | | |
| Contractual Services | 22,420 | 22,420 | 0 |
| | <u>22,420</u> | <u>22,420</u> | <u>0</u> |
| Total County Planning Commission | <u>22,420</u> | <u>22,420</u> | <u>0</u> |
| Data Processing | | | |
| Salary and Wages | 207,272 | 203,627 | 3,645 |
| Fringe Benefits | 114,113 | 103,521 | 10,592 |
| | <u>321,385</u> | <u>307,148</u> | <u>14,237</u> |
| Total Data Processing | <u>321,385</u> | <u>307,148</u> | <u>14,237</u> |
| Data Processing Central Purchasing | | | |
| Other | 57,392 | 52,668 | 4,724 |
| | <u>57,392</u> | <u>52,668</u> | <u>4,724</u> |
| Board of Elections | | | |
| Salary and Wages | 285,349 | 279,743 | 5,606 |
| Fringe Benefits | 135,237 | 127,732 | 7,505 |
| Materials and Supplies | 50,552 | 34,970 | 15,582 |
| Contractual Services | 199,084 | 192,241 | 6,843 |
| Capital Outlay | 6,643 | 6,643 | 0 |
| Other | 10,700 | 9,082 | 1,618 |
| | <u>687,565</u> | <u>650,411</u> | <u>37,154</u> |
| Total Board of Elections | <u>687,565</u> | <u>650,411</u> | <u>37,154</u> |
| Recorder | | | |
| Salary and Wages | 149,236 | 148,860 | 376 |
| Fringe Benefits | 90,819 | 85,260 | 5,559 |
| Other | 2,721 | 2,721 | 0 |
| | <u>242,776</u> | <u>236,841</u> | <u>5,935</u> |
| Total Recorder | <u>242,776</u> | <u>236,841</u> | <u>5,935</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---|-------------------------|------------------|---|
| Buildings and Grounds | | | |
| Salary and Wages | \$179,960 | \$178,851 | \$1,109 |
| Fringe Benefits | 121,063 | 121,055 | 8 |
| Materials and Supplies | 12,000 | 10,594 | 1,406 |
| Contractual Services | 311,158 | 306,692 | 4,466 |
| Other | 101,000 | 100,110 | 890 |
| | <u>725,181</u> | <u>717,302</u> | <u>7,879</u> |
| Insurance | | | |
| Contractual Services | 116,958 | 113,077 | 3,881 |
| Total General Government - Legislative and Executive | <u>5,144,194</u> | <u>4,706,354</u> | <u>437,840</u> |
| General Government - Judicial | | | |
| Court of Appeals | | | |
| Other | 55,331 | 55,331 | 0 |
| Common Pleas | | | |
| Salary and Wages | 251,601 | 248,395 | 3,206 |
| Fringe Benefits | 99,900 | 95,328 | 4,572 |
| Materials and Supplies | 27,707 | 25,013 | 2,694 |
| Contractual Services | 212,436 | 194,841 | 17,595 |
| Other | 9,908 | 4,671 | 5,237 |
| Total Common Pleas | <u>601,552</u> | <u>568,248</u> | <u>33,304</u> |
| Adult Probation | | | |
| Salary and Wages | 106,468 | 106,468 | 0 |
| Fringe Benefits | 59,686 | 55,505 | 4,181 |
| Materials and Supplies | 500 | 77 | 423 |
| Contractual Services | 8,264 | 4,768 | 3,496 |
| Total Adult Probation | <u>174,918</u> | <u>166,818</u> | <u>8,100</u> |
| Capital Felony | | | |
| Contractual Services | 18,091 | 18,091 | 0 |
| Juvenile Court | | | |
| Salary and Wages | 441,706 | 494,312 | (52,606) |
| Fringe Benefits | 271,596 | 263,796 | 7,800 |
| Materials and Supplies | 34,276 | 26,508 | 7,768 |
| Contractual Services | 412,289 | 300,375 | 111,914 |
| Other | 101,034 | 86,469 | 14,565 |
| Total Juvenile Court | <u>1,260,901</u> | <u>1,171,460</u> | <u>89,441</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|------------------------|-------------------------|----------------|---|
| County Court #2 | | | |
| Salary and Wages | \$94,274 | \$94,217 | \$57 |
| Fringe Benefits | 54,771 | 51,470 | 3,301 |
| Materials and Supplies | 4,613 | 3,638 | 975 |
| Contractual Services | 28,168 | 27,762 | 406 |
| Other | 1,000 | 998 | 2 |
| | <u>182,826</u> | <u>178,085</u> | <u>4,741</u> |
| Total County Court #2 | | | |
| County Court #3 | | | |
| Salary and Wages | 97,580 | 96,747 | 833 |
| Fringe Benefits | 42,484 | 40,099 | 2,385 |
| Materials and Supplies | 4,000 | 3,925 | 75 |
| Contractual Services | 39,378 | 37,389 | 1,989 |
| Other | 1,000 | 799 | 201 |
| | <u>184,442</u> | <u>178,959</u> | <u>5,483</u> |
| Total County Court #3 | | | |
| Probate Court | | | |
| Salary and Wages | 200,790 | 200,750 | 40 |
| Fringe Benefits | 99,046 | 94,672 | 4,374 |
| Materials and Supplies | 5,000 | 3,986 | 1,014 |
| Other | 3,950 | 3,922 | 28 |
| | <u>308,786</u> | <u>303,330</u> | <u>5,456</u> |
| Total Probate Court | | | |
| Clerk of Courts | | | |
| Salary and Wages | 228,862 | 228,578 | 284 |
| Fringe Benefits | 131,432 | 123,077 | 8,355 |
| Materials and Supplies | 5,000 | 4,902 | 98 |
| | <u>365,294</u> | <u>356,557</u> | <u>8,737</u> |
| Total Clerk of Courts | | | |
| County Court | | | |
| Salary and Wages | 102,733 | 102,165 | 568 |
| Fringe Benefits | 56,515 | 53,147 | 3,368 |
| Materials and Supplies | 4,500 | 3,157 | 1,343 |
| Contractual Services | 42,680 | 42,080 | 600 |
| Other | 500 | 300 | 200 |
| | <u>206,928</u> | <u>200,849</u> | <u>6,079</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-------------------------------------|-------------------------|------------------|---|
| Municipal Court | | | |
| Salary and Wages | \$87,782 | \$87,782 | \$0 |
| Fringe Benefits | 12,714 | 12,676 | 38 |
| Contractual Services | <u>59,750</u> | <u>59,420</u> | <u>330</u> |
| Total Municipal Court | <u>160,246</u> | <u>159,878</u> | <u>368</u> |
| Law Library | | | |
| Salary and Wages | 27,261 | 27,236 | 25 |
| Fringe Benefits | <u>17,689</u> | <u>16,541</u> | <u>1,148</u> |
| Total Law Library | <u>44,950</u> | <u>43,777</u> | <u>1,173</u> |
| Court Magistrate | | | |
| Salary and Wages | 117,834 | 117,834 | 0 |
| Fringe Benefits | 56,630 | 55,408 | 1,222 |
| Materials and Supplies | 3,000 | 2,418 | 582 |
| Contractual Services | 17,155 | 4,980 | 12,175 |
| Capital Outlay | 3,000 | 940 | 2,060 |
| Other | <u>8,500</u> | <u>3,453</u> | <u>5,047</u> |
| Total Court Magistrate | <u>206,119</u> | <u>185,033</u> | <u>21,086</u> |
| Total General Government - Judicial | <u>3,770,384</u> | <u>3,586,416</u> | <u>183,968</u> |
| Public Safety | | | |
| Coroner | | | |
| Salary and Wages | 77,015 | 77,014 | 1 |
| Fringe Benefits | 38,652 | 36,446 | 2,206 |
| Contractual Services | <u>22,137</u> | <u>20,738</u> | <u>1,399</u> |
| Total Coroner | <u>137,804</u> | <u>134,198</u> | <u>3,606</u> |
| Courthouse Security | | | |
| Contractual Services | <u>145,500</u> | <u>145,500</u> | <u>0</u> |
| Total Courthouse Security | | | |
| Jail Settlement | | | |
| Contractual Services | <u>244,065</u> | <u>0</u> | <u>244,065</u> |
| Total Public Safety | <u>527,369</u> | <u>279,698</u> | <u>247,671</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------|-------------------------|---------------|---|
| Health | | | |
| Humane Society | | | |
| Other | \$300 | \$300 | \$0 |
| Agriculture | | | |
| Contractual Services | 181,553 | 181,332 | 221 |
| Vital Statistics | | | |
| Contractual Services | 4,527 | 3,816 | 711 |
| Total Health | 186,380 | 185,448 | 932 |
| Human Services | | | |
| Veteran's Services | | | |
| Salary and Wages | 143,675 | 143,354 | 321 |
| Fringe Benefits | 64,378 | 61,461 | 2,917 |
| Materials and Supplies | 6,200 | 2,129 | 4,071 |
| Contractual Services | 37,000 | 34,161 | 2,839 |
| Other | 204,685 | 181,798 | 22,887 |
| Total Veteran's Services | 455,938 | 422,903 | 33,035 |
| Public Assistance | | | |
| Contractual Services | 551,224 | 521,663 | 29,561 |
| Total Human Services | 1,007,162 | 944,566 | 62,596 |
| Other | | | |
| County Shared Utilities | | | |
| Contractual Services | 176,400 | 173,222 | 3,178 |
| Unclaimed Monies | | | |
| Other | 0 | 4,818 | (4,818) |
| Delinquent Land Sale-Unclaimed | | | |
| Other | 220,616 | 214,689 | 5,927 |
| Indigent Application Fees | | | |
| Fees | 20,000 | 19,351 | 649 |
| Total Other | 417,016 | 412,080 | 4,936 |

(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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|--------------------------------------|-------------------------|--------------------|---|
| Intergovernmental | | | |
| Contractual Services | \$116,436 | \$116,436 | \$0 |
| Total Expenditures | 11,168,941 | 10,230,998 | 937,943 |
| Excess of Revenues Over Expenditures | 1,686,783 | 2,624,726 | 937,943 |
| <u>Other Financing Uses:</u> | | | |
| Advances Out | (112,000) | (112,000) | 0 |
| Transfers Out | (2,234,776) | (2,251,973) | (17,197) |
| Total Other Financing Uses | (2,346,776) | (2,363,973) | (17,197) |
| Net Change in Fund Balance | (659,993) | 260,753 | 920,746 |
| Fund Balance Beginning of Year | 1,588,512 | 1,588,512 | 0 |
| Prior Year Encumbrances Appropriated | 129,208 | 129,208 | 0 |
| Fund Balance End of Year | <u>\$1,057,727</u> | <u>\$1,978,473</u> | <u>\$920,746</u> |

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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|------------------------------------|-----------------------------|---------------------------|---|
| <u>Revenues:</u> | | | |
| Charges for Services | \$1,654,533 | \$1,654,533 | \$0 |
| Intergovernmental | 11,961,134 | 11,961,134 | 0 |
| Other | 819,385 | 819,385 | 0 |
| Total Revenues | <u>14,435,052</u> | <u>14,435,052</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Human Services | | | |
| Public Assistance | | | |
| Salary and Wages | 3,743,832 | 3,621,048 | 122,784 |
| Fringe Benefits | 3,491,443 | 2,815,161 | 676,282 |
| Materials and Supplies | 472,360 | 391,948 | 80,412 |
| Contractual Services | 4,939,760 | 4,313,492 | 626,268 |
| Capital Outlay | 497,760 | 347,341 | 150,419 |
| Other | 351,947 | 150,685 | 201,262 |
| Total Public Assistance | <u>13,497,102</u> | <u>11,639,675</u> | <u>1,857,427</u> |
| Workforce Investment Act | | | |
| Contractual Services | <u>2,778,307</u> | <u>1,955,170</u> | <u>823,137</u> |
| Total Expenditures | <u>16,275,409</u> | <u>13,594,845</u> | <u>2,680,564</u> |
| Net Change in Fund Balance | (1,840,357) | 840,207 | 2,680,564 |
| Fund Balance Beginning of Year | <u>266,872</u> | <u>266,872</u> | <u>0</u> |
| Fund Balance (Deficit) End of Year | <u><u>(\$1,573,485)</u></u> | <u><u>\$1,107,079</u></u> | <u><u>\$2,680,564</u></u> |

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

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---|-------------------------|------------------|---|
| <u>Revenues:</u> | | | |
| Permissive Sales Taxes | \$2,617,908 | \$2,617,908 | \$0 |
| Charges for Services | 7,541 | 7,541 | 0 |
| Fines and Forfeitures | 40,371 | 40,371 | 0 |
| Intergovernmental | 5,264,824 | 5,264,824 | 0 |
| Interest | 6,415 | 6,415 | 0 |
| Other | 9,331 | 9,331 | 0 |
| Total Revenues | <u>7,946,390</u> | <u>7,946,390</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Public Works | | | |
| Motor Vehicle and Gasoline Tax | | | |
| Salary and Wages | 1,865,283 | 1,818,171 | 47,112 |
| Fringe Benefits | 991,135 | 969,339 | 21,796 |
| Materials and Supplies | 1,071,071 | 894,406 | 176,665 |
| Contractual Services | 1,319,521 | 1,253,830 | 65,691 |
| Capital Outlay | 1,165,369 | 1,136,651 | 28,718 |
| Other | 751,664 | 620,036 | 131,628 |
| Total Public Works | <u>7,164,043</u> | <u>6,692,433</u> | <u>471,610</u> |
| Debt Service: | | | |
| Principal Retirement | 500,000 | 500,000 | 0 |
| Interest and Fiscal Charges | 17,775 | 17,775 | 0 |
| Total Debt Service | <u>517,775</u> | <u>517,775</u> | <u>0</u> |
| Total Expenditures | <u>7,681,818</u> | <u>7,210,208</u> | <u>471,610</u> |
| Excess of Revenues Over Expenditures | <u>264,572</u> | <u>736,182</u> | <u>471,610</u> |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers In | 159,861 | 159,861 | 0 |
| Transfers Out | (471,960) | (471,960) | 0 |
| Total Other Financing Sources (Uses) | <u>(312,099)</u> | <u>(312,099)</u> | <u>0</u> |
| Net Change in Fund Balance | (47,527) | 424,083 | 471,610 |
| Fund Balance Beginning of Year | 437,207 | 437,207 | 0 |
| Prior Year Encumbrances Appropriated | 133,400 | 133,400 | 0 |
| Fund Balance End of Year | <u>\$523,080</u> | <u>\$994,690</u> | <u>\$471,610</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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|---------------------------------------|-------------------------|--------------------|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$319,578 | \$319,578 | \$0 |
| Intergovernmental | 7,799,483 | 7,799,483 | 0 |
| Rent | 65,550 | 65,550 | 0 |
| Other | 15,995 | 15,995 | 0 |
| Total Revenues | 8,200,606 | 8,200,606 | 0 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Health | | | |
| Mental Health | | | |
| Salary and Wages | 290,000 | 284,901 | 5,099 |
| Fringe Benefits | 115,000 | 96,511 | 18,489 |
| Materials and Supplies | 29,655 | 23,761 | 5,894 |
| Contractual Services | 7,656,982 | 7,352,360 | 304,622 |
| Capital Outlay | 25,000 | 13,695 | 11,305 |
| Other | 156,100 | 122,702 | 33,398 |
| Total Mental Health | 8,272,737 | 7,893,930 | 378,807 |
| Memorial | | | |
| Other | 1,000 | 0 | 1,000 |
| Total Expenditures | 8,273,737 | 7,893,930 | 379,807 |
| Net Change in Fund Balance | (73,131) | 306,676 | 379,807 |
| Fund Balance Beginning of Year | 1,472,713 | 1,472,713 | 0 |
| Fund Balance End of Year | \$1,399,582 | \$1,779,389 | \$379,807 |

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation Developmental Disabilities Fund
For the Year Ended December 31, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|--------------------------------------|-------------------------|--------------------|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$2,606,063 | \$2,606,063 | \$0 |
| Charges for Services | 222,789 | 222,789 | 0 |
| Intergovernmental | 6,556,260 | 6,556,260 | 0 |
| Other | 104,348 | 104,348 | 0 |
| Total Revenues | 9,489,460 | 9,489,460 | 0 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Health | | | |
| MRDD | | | |
| Salary and Wages | 4,421,372 | 4,392,080 | 29,292 |
| Fringe Benefits | 2,939,627 | 2,694,872 | 244,755 |
| Materials and Supplies | 515,800 | 498,337 | 17,463 |
| Contractual Services | 949,858 | 819,515 | 130,343 |
| Capital Outlay | 20,000 | 17,297 | 2,703 |
| Other | 197,456 | 168,851 | 28,605 |
| Total Expenditures | 9,044,113 | 8,590,952 | 453,161 |
| Excess of Revenues Over Expenditures | 445,347 | 898,508 | 453,161 |
| <u>Other Financing Use:</u> | | | |
| Transfers Out | (350,000) | (350,000) | 0 |
| Net Change in Fund Balance | 95,347 | 548,508 | 453,161 |
| Fund Balance Beginning of Year | 2,661,685 | 2,661,685 | 0 |
| Fund Balance End of Year | <u>\$2,757,032</u> | <u>\$3,210,193</u> | <u>\$453,161</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|-----------------------------|-----------------------------|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$1,138,883 | \$1,138,883 | \$0 |
| Charges for Services | 1,678,707 | 1,674,800 | (3,907) |
| Intergovernmental | 517,698 | 517,698 | 0 |
| Other | 37 | 37 | 0 |
| Total Revenues | <u>3,335,325</u> | <u>3,331,418</u> | <u>(3,907)</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Public Safety | | | |
| Jail Operating Levy | | | |
| Salary and Wages | 2,059,773 | 2,068,425 | (8,652) |
| Fringe Benefits | 1,105,384 | 1,106,331 | (947) |
| Materials and Supplies | 369,914 | 366,999 | 2,915 |
| Contractual Services | 587,562 | 584,823 | 2,739 |
| Capital Outlay | 234,963 | 234,247 | 716 |
| Other | 16,578 | 16,111 | 467 |
| Total Expenditures | <u>4,374,174</u> | <u>4,376,936</u> | <u>(2,762)</u> |
| Excess of Revenues Under Expenditures | (1,038,849) | (1,045,518) | (6,669) |
| <u>Other Financing Source:</u> | | | |
| Transfers In | 1,061,352 | 1,061,352 | 0 |
| Net Change in Fund Balance | 22,503 | 15,834 | (6,669) |
| Fund Balance (Deficit) Beginning of Year | <u>(2,747,826)</u> | <u>(2,747,826)</u> | <u>0</u> |
| Fund Balance (Deficit) End of Year | <u><u>(\$2,725,323)</u></u> | <u><u>(\$2,731,992)</u></u> | <u><u>(\$6,669)</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------------|-------------------------|-------------------------|---|
| <u>Revenues:</u> | | | |
| Charges for Services | \$991,331 | \$991,331 | \$0 |
| Special Assessments | 43,609 | 43,609 | 0 |
| Permissive Sales Taxes | 60,470 | 60,470 | 0 |
| Proceeds of Notes | 750,000 | 750,000 | 0 |
| OPWC Loans Issued | 235,312 | 235,312 | 0 |
| Total Revenues | <u>2,080,722</u> | <u>2,080,722</u> | <u>0</u> |
| <u>Expenses:</u> | | | |
| Personal Services | 223,524 | 209,917 | 13,607 |
| Contractual Services | 781,954 | 611,106 | 170,848 |
| Materials and Supplies | 30,153 | 20,204 | 9,949 |
| Other Operating Expenses | 38,000 | 0 | 38,000 |
| Capital Outlay | 27,034 | 14,614 | 12,420 |
| Debt Service: | | | |
| Principal Retirement | 1,113,576 | 1,098,606 | 14,970 |
| Interest and Fiscal Charges | 191,153 | 191,123 | 30 |
| Total Expenses | <u>2,405,394</u> | <u>2,145,570</u> | <u>259,824</u> |
| Net Change in Fund Equity | (324,672) | (64,848) | 259,824 |
| Fund Equity Beginning of Year | 451,875 | 451,875 | 0 |
| Prior Year Encumbrances Appropriated | <u>41,023</u> | <u>41,023</u> | <u>0</u> |
| Fund Equity End of Year | <u><u>\$168,226</u></u> | <u><u>\$428,050</u></u> | <u><u>\$259,824</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------------|-------------------------|--------------------|---|
| <u>Revenues:</u> | | | |
| Charges for Services | \$4,868,613 | \$4,868,613 | \$0 |
| Tap-In Fees | 48,640 | 48,640 | 0 |
| Permissive Sales Taxes | 181,409 | 181,409 | 0 |
| Other Non-Operating Revenue | 20,180 | 20,180 | 0 |
| Ohio EPA Loan Issued | 379,320 | 379,320 | 0 |
| Total Revenues | <u>5,498,162</u> | <u>5,498,162</u> | <u>0</u> |
| <u>Expenses:</u> | | | |
| Personal Services | 1,005,740 | 955,228 | 50,512 |
| Contractual Services | 3,476,137 | 1,883,640 | 1,592,497 |
| Materials and Supplies | 384,726 | 345,857 | 38,869 |
| Other Operating Expenses | 94,347 | 17,655 | 76,692 |
| Capital Outlay | 2,997,217 | 2,800,833 | 196,384 |
| Debt Service: | | | |
| Principal Retirement | 721,910 | 721,880 | 30 |
| Interest and Fiscal Charges | 510,366 | 510,366 | 0 |
| Total Expenses | <u>9,190,443</u> | <u>7,235,459</u> | <u>1,954,984</u> |
| Net Change in Fund Equity | (3,692,281) | (1,737,297) | 1,954,984 |
| Fund Equity Beginning of Year | 2,716,651 | 2,716,651 | 0 |
| Prior Year Encumbrances Appropriated | 685,770 | 685,770 | 0 |
| Fund Equity (Deficit) End of Year | <u>(\$289,860)</u> | <u>\$1,665,124</u> | <u>\$1,954,984</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|-------------------------|------------------|---|
| <u>Revenues:</u> | | | |
| Charges for Services | \$1,268,845 | \$1,268,845 | \$0 |
| Licenses and Permits | 342,915 | 342,915 | 0 |
| Fines and Forfeitures | 11,471 | 11,471 | 0 |
| Intergovernmental | 1,505,336 | 1,505,336 | 0 |
| Interest | 727 | 727 | 0 |
| Rent | 24,542 | 24,542 | 0 |
| Other | 49,234 | 49,234 | 0 |
| Total Revenues | 3,203,070 | 3,203,070 | 0 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| General Government - | | | |
| Legislative and Executive | | | |
| Certificate of Auto Title | | | |
| Salary and Wages | 160,000 | 121,053 | 38,947 |
| Fringe Benefits | 76,050 | 47,027 | 29,023 |
| Materials and Supplies | 8,000 | 5,536 | 2,464 |
| Contractual Services | 5,000 | 2,156 | 2,844 |
| Capital Outlay | 4,000 | 2,875 | 1,125 |
| Other | 13,000 | 10,581 | 2,419 |
| Total Certificate of Auto Title | 266,050 | 189,228 | 76,822 |
| Real Estate Assessment | | | |
| Salary and Wages | 224,807 | 214,139 | 10,668 |
| Fringe Benefits | 97,614 | 91,807 | 5,807 |
| Materials and Supplies | 8,000 | 7,883 | 117 |
| Contractual Services | 350,000 | 345,823 | 4,177 |
| Other | 8,000 | 4,856 | 3,144 |
| Total Real Estate Assessment | 688,421 | 664,508 | 23,913 |
| Delinquent Real/Assessment Collection | | | |
| Salary and Wages | 65,813 | 56,561 | 9,252 |
| Fringe Benefits | 17,231 | 15,322 | 1,909 |
| Materials and Supplies | 25,661 | 197 | 25,464 |
| Contractual Services | 43,141 | 43,141 | 0 |
| Other | 500 | 0 | 500 |
| Total Delinquent Real/Assessment Collection | 152,346 | 115,221 | 37,125 |
| Equipment Recorders Supply | | | |
| Materials and Supplies | 5,000 | 4,997 | 3 |
| Contractual Services | 100,000 | 12,612 | 87,388 |
| Capital Outlay | 100,000 | 219 | 99,781 |
| Total Equipment Recorders Supply | 205,000 | 17,828 | 187,172 |

(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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|---|-------------------------|------------------|---|
| Geographic Information System | | | |
| Materials and Supplies | \$50,000 | \$48,667 | \$1,333 |
| Contractual Services | 91,080 | 72,947 | 18,133 |
| Other | 12,000 | 2,475 | 9,525 |
| Total Geographic Information System | 153,080 | 124,089 | 28,991 |
| Total General Government - Legislative and Executive | 1,464,897 | 1,110,874 | 354,023 |
| Public Works | | | |
| Beautification | | | |
| Salary and Wages | 145,371 | 142,175 | 3,196 |
| Fringe Benefits | 95,932 | 95,373 | 559 |
| Materials and Supplies | 5,500 | 4,022 | 1,478 |
| Contractual Services | 11,471 | 10,521 | 950 |
| Capital Outlay | 9,124 | 8,364 | 760 |
| Other | 24,165 | 21,029 | 3,136 |
| Total Public Works | 291,563 | 281,484 | 10,079 |
| Economic Development and Assistance | | | |
| Airport Gas Resale | | | |
| Materials and Supplies | 133,721 | 61,126 | 72,595 |
| FAA Wetlands | | | |
| Contractual Services | 35,264 | 34,883 | 381 |
| Airport | | | |
| Salary and Wages | 52,000 | 51,219 | 781 |
| Fringe Benefits | 26,910 | 24,443 | 2,467 |
| Materials and Supplies | 7,000 | 6,435 | 565 |
| Contractual Services | 8,660 | 8,654 | 6 |
| Capital Outlay | 44,497 | 44,497 | 0 |
| Other | 654,655 | 43,046 | 611,609 |
| Total Airport | 793,722 | 178,294 | 615,428 |
| Total Economic Development and Assistance | 962,707 | 274,303 | 688,404 |

(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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|--|-------------------------|--------------------|---|
| Health | | | |
| Dog and Kennel | | | |
| Salary and Wages | \$70,500 | \$65,283 | \$5,217 |
| Fringe Benefits | 41,367 | 38,701 | 2,666 |
| Materials and Supplies | 10,800 | 8,769 | 2,031 |
| Other | 13,100 | 10,479 | 2,621 |
| Total Health | <u>135,767</u> | <u>123,232</u> | <u>12,535</u> |
| Human Services | | | |
| Child Support Enforcement Agency | | | |
| Salary and Wages | 617,887 | 462,378 | 155,509 |
| Fringe Benefits | 340,138 | 237,418 | 102,720 |
| Materials and Supplies | 10,200 | 2,135 | 8,065 |
| Contractual Services | 617,690 | 452,757 | 164,933 |
| Capital Outlay | 20,400 | 0 | 20,400 |
| Other | 522,750 | 446,467 | 76,283 |
| Total Human Services | <u>2,129,065</u> | <u>1,601,155</u> | <u>527,910</u> |
| Total Expenditures | <u>4,983,999</u> | <u>3,391,048</u> | <u>1,592,951</u> |
| Excess of Revenues Under Expenditures | <u>(1,780,929)</u> | <u>(187,978)</u> | <u>1,592,951</u> |
| <u>Other Financing Sources:</u> | | | |
| Advances In | 12,000 | 12,000 | 0 |
| Transfers In | 183,584 | 183,584 | 0 |
| Total Other Financing Sources | <u>195,584</u> | <u>195,584</u> | <u>0</u> |
| Net Change in Fund Balance | (1,585,345) | 7,606 | 1,592,951 |
| Fund Balance Beginning of Year | 1,406,308 | 1,406,308 | 0 |
| Prior Year Encumbrances Appropriated | 1,079 | 1,079 | 0 |
| Fund Balance (Deficit) End of Year | <u>(\$177,958)</u> | <u>\$1,414,993</u> | <u>\$1,592,951</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|------------------------------------|-------------------------|------------------|---|
| <u>Revenues:</u> | | | |
| Charges for Services | \$171,978 | \$171,978 | \$0 |
| Licenses and Permits | 23,345 | 23,345 | 0 |
| Fines and Forfeitures | 21,086 | 21,086 | 0 |
| Intergovernmental | <u>1,654,784</u> | <u>1,654,784</u> | <u>0</u> |
| Total Revenues | <u>1,871,193</u> | <u>1,871,193</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| General Government - Judicial | | | |
| County Probation Services | | | |
| Materials and Supplies | 30,000 | 26,994 | 3,006 |
| Contractual Services | <u>20,000</u> | <u>9,831</u> | <u>10,169</u> |
| Total County Probation Services | <u>50,000</u> | <u>36,825</u> | <u>13,175</u> |
| Conduct of Business | | | |
| Contractual Services | <u>400</u> | <u>339</u> | <u>61</u> |
| Court Computer | | | |
| Contractual Services | <u>100,000</u> | <u>80,884</u> | <u>19,116</u> |
| Indigent Drivers Alcohol Treatment | | | |
| Contractual Services | <u>70,000</u> | <u>38,455</u> | <u>31,545</u> |
| Indigent Guardianship | | | |
| Contractual Services | <u>12,000</u> | <u>11,180</u> | <u>820</u> |
| Juvenile Court Computer | | | |
| Other | <u>1,500</u> | <u>552</u> | <u>948</u> |
| Juvenile Computer Equipment | | | |
| Capital Outlay | <u>5,500</u> | <u>3,478</u> | <u>2,022</u> |
| Probate Court Computer | | | |
| Contractual Services | <u>2,000</u> | <u>1,654</u> | <u>346</u> |
| Probate Computer Equipment | | | |
| Materials and Supplies | 7,000 | 4,621 | 2,379 |
| Contractual Services | <u>13,000</u> | <u>12,392</u> | <u>608</u> |
| Total Probate Computer Equipment | <u>20,000</u> | <u>17,013</u> | <u>2,987</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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|--|-------------------------|----------------|---|
| Drug Court Treatment | | | |
| Materials and Supplies | \$94 | \$94 | \$0 |
| Contractual Services | 4,915 | 4,915 | 0 |
| Total Drug Court Treatment | 5,009 | 5,009 | 0 |
| Clerk of Courts | | | |
| Contractual Services | 10,000 | 9,781 | 219 |
| Common Pleas Court Computer | | | |
| Contractual Services | 10,000 | 0 | 10,000 |
| Total General Government - Judicial | 286,409 | 205,170 | 81,239 |
| Public Safety | | | |
| Juvenile Probation Fees | | | |
| Other | 2,700 | 2,138 | 562 |
| Juvenile Special Projects | | | |
| Other | 10,000 | 10,000 | 0 |
| PSN Gun Prosecution | | | |
| Contractual Services | 5,347 | 4,860 | 487 |
| Concealed Handgun | | | |
| Materials and Supplies | 2,000 | 1,310 | 690 |
| Contractual Services | 20,715 | 15,187 | 5,528 |
| Capital Outlay | 2,000 | 0 | 2,000 |
| Total Concealed Handgun | 24,715 | 16,497 | 8,218 |
| Juvenile Probation Services Enhancement | | | |
| Salary and Wages | 13,733 | 13,666 | 67 |
| Fringe Benefits | 4,962 | 4,922 | 40 |
| Materials and Supplies | 9,360 | 3,343 | 6,017 |
| Contractual Services | 229,856 | 224,769 | 5,087 |
| Capital Outlay | 16,945 | 0 | 16,945 |
| Total Juvenile Probation Services Enhancement | 274,856 | 246,700 | 28,156 |
| Juvenile Multiple Handicap Assessment | | | |
| Materials and Supplies | 5,097 | 5,097 | 0 |
| Contractual Services | 16,693 | 8,039 | 8,654 |
| Other | 1,000 | 0 | 1,000 |
| Total Juvenile Multiple Handicap Assessment | 22,790 | 13,136 | 9,654 |
| Juvenile Drug Court Implementation | | | |
| Contractual Services | 17,195 | 17,195 | 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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|--|-------------------------|---------------|---|
| Mediation Juvenile Program | | | |
| Contractual Services | \$187,781 | \$184,555 | \$3,226 |
| Felony Delinquent Care and Custody | | | |
| Salary and Wages | 97,514 | 93,247 | 4,267 |
| Fringe Benefits | 314,146 | 278,130 | 36,016 |
| Materials and Supplies | 3,690 | 1,370 | 2,320 |
| Contractual Services | 210,121 | 197,748 | 12,373 |
| Other | 118,931 | 88,815 | 30,116 |
| Total Felony Delinquent Care and Custody | 744,402 | 659,310 | 85,092 |
| Juvenile Accident Incentive Block | | | |
| Contractual Services | 71 | 0 | 71 |
| Crime Victims Assistance Office | | | |
| Salary and Wages | 76,942 | 43,347 | 33,595 |
| Fringe Benefits | 15,698 | 8,449 | 7,249 |
| Materials and Supplies | 4,499 | 2,768 | 1,731 |
| Contractual Services | 525 | 225 | 300 |
| Other | 4,493 | 1,773 | 2,720 |
| Total Crime Victims Assistance Office | 102,157 | 56,562 | 45,595 |
| CPP | | | |
| Contractual Services | 5,531 | 30 | 5,501 |
| Law Enforcement Trust | | | |
| Contractual Services | 5,000 | 0 | 5,000 |
| Community Corrections Act | | | |
| Salary and Wages | 63,324 | 42,671 | 20,653 |
| Fringe Benefits | 36,359 | 21,267 | 15,092 |
| Contractual Services | 175 | 175 | 0 |
| Other | 9 | 9 | 0 |
| Total Community Corrections Act | 99,867 | 64,122 | 35,745 |
| Prisoner Incentive | | | |
| Capital Outlay | 11,950 | 11,538 | 412 |

(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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|-------------------------|--------------------|---|
| Law Enforcement Trust | | | |
| Capital Outlay | \$57,857 | \$57,857 | \$0 |
| CTC Expansion Project 1L | | | |
| Contractual Services | 20,000 | 6,500 | 13,500 |
| Dispute Resolution | | | |
| Contractual Services | 7,500 | 0 | 7,500 |
| Other | 2,500 | 0 | 2,500 |
| Total Dispute Resolution | 10,000 | 0 | 10,000 |
| Domestic Violence Investigator | | | |
| Salary and Wages | 29,224 | 29,057 | 167 |
| Fringe Benefits | 21,265 | 17,364 | 3,901 |
| Total Domestic Violence Investigator | 50,489 | 46,421 | 4,068 |
| Juvenile Court Tobacco Program | | | |
| Capital Outlay | 14,300 | 14,045 | 255 |
| Total Public Safety | 1,667,008 | 1,411,466 | 255,542 |
| Total Expenditures | 1,953,417 | 1,616,636 | 336,781 |
| Excess of Revenues Over (Under) Expenditures | (82,224) | 254,557 | 336,781 |
| <u>Other Financing Source:</u> | | | |
| Transfers In | 36,241 | 36,241 | 0 |
| Net Change in Fund Balance | (45,983) | 290,798 | 336,781 |
| Fund Balance Beginning of Year | 774,967 | 774,967 | 0 |
| Fund Balance End of Year | <u>\$728,984</u> | <u>\$1,065,765</u> | <u>\$336,781</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---|-------------------------|------------------------|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$1,266,108 | \$1,266,108 | \$0 |
| Intergovernmental | 505,649 | 505,649 | 0 |
| Rent | 26,116 | 26,116 | 0 |
| Other | 8,700 | 8,700 | 0 |
| Total Revenues | <u>1,806,573</u> | <u>1,806,573</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Public Safety | | | |
| Emergency 911 | | | |
| Salary and Wages | 491,156 | 482,405 | 8,751 |
| Fringe Benefits | 208,128 | 198,824 | 9,304 |
| Materials and Supplies | 5,130 | 4,696 | 434 |
| Contractual Services | 210,567 | 203,492 | 7,075 |
| Capital Outlay | 710,187 | 707,242 | 2,945 |
| Other | 53,589 | 52,446 | 1,143 |
| Total Expenditures | <u>1,678,757</u> | <u>1,649,105</u> | <u>29,652</u> |
| Excess of Revenues Over Expenditures | <u>127,816</u> | <u>157,468</u> | <u>29,652</u> |
| <u>Other Financing Sources (Uses):</u> | | | |
| Advances In | 100,000 | 100,000 | 0 |
| Transfers Out | (525,549) | (525,549) | 0 |
| Total Other Financing Sources (Uses) | <u>(425,549)</u> | <u>(425,549)</u> | <u>0</u> |
| Net Change in Fund Balance | (297,733) | (268,081) | 29,652 |
| Fund Balance Beginning of Year | 327,870 | 327,870 | 0 |
| Prior Year Encumbrances Appropriated | 2,390 | 2,390 | 0 |
| Fund Balance End of Year | <u><u>\$32,527</u></u> | <u><u>\$62,179</u></u> | <u><u>\$29,652</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---|---------------------------|---------------------------|---|
| <u>Revenues:</u> | | | |
| Permissive Sales Taxes | \$1,261,891 | \$1,261,891 | \$0 |
| Charges for Services | 144,251 | 144,251 | 0 |
| Intergovernmental | 258,412 | 258,412 | 0 |
| Other | 26,346 | 26,346 | 0 |
| Total Revenues | <u>1,690,900</u> | <u>1,690,900</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Public Safety | | | |
| Permissive Sheriff | | | |
| Salary and Wages | 1,497,901 | 1,498,024 | (123) |
| Fringe Benefits | 858,014 | 847,842 | 10,172 |
| Materials and Supplies | 137,824 | 132,466 | 5,358 |
| Capital Outlay | 84,012 | 84,004 | 8 |
| Other | 14,977 | 14,977 | 0 |
| Total Expenditures | <u>2,592,728</u> | <u>2,577,313</u> | <u>15,415</u> |
| Excess of Revenues Under Expenditures | <u>(901,828)</u> | <u>(886,413)</u> | <u>15,415</u> |
| <u>Other Financing Sources (Uses):</u> | | | |
| Transfers In | 909,565 | 909,565 | 0 |
| Transfers Out | (23,152) | (23,152) | 0 |
| Total Other Financing Sources (Uses) | <u>886,413</u> | <u>886,413</u> | <u>0</u> |
| Net Change in Fund Balance | (15,415) | 0 | 15,415 |
| Fund Balance (Deficit) Beginning of Year | <u>(500,000)</u> | <u>(500,000)</u> | <u>0</u> |
| Fund Balance (Deficit) End of Year | <u><u>(\$515,415)</u></u> | <u><u>(\$500,000)</u></u> | <u><u>\$15,415</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------------|---------------------------|---------------------------|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$657 | \$657 | \$0 |
| Intergovernmental | 67,555 | 67,555 | 0 |
| Total Revenues | <u>68,212</u> | <u>68,212</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Health | | | |
| Tuberculosis Levy | | | |
| Materials and Supplies | 7,000 | 4,015 | 2,985 |
| Contractual Services | 120,493 | 96,574 | 23,919 |
| Total Tuberculosis Levy | <u>127,493</u> | <u>100,589</u> | <u>26,904</u> |
| Crippled Child Levy | | | |
| Other | 180,004 | 83,435 | 96,569 |
| Total Expenditures | <u>307,497</u> | <u>184,024</u> | <u>123,473</u> |
| Net Change in Fund Balance | (239,285) | (115,812) | 123,473 |
| Fund Balance Beginning of Year | 2,172,295 | 2,172,295 | 0 |
| Prior Year Encumbrances Appropriated | 466 | 466 | 0 |
| Fund Balance End of Year | <u><u>\$1,933,476</u></u> | <u><u>\$2,056,949</u></u> | <u><u>\$123,473</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|------------------------------------|--------------------------|-------------------------|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$778,206 | \$778,206 | \$0 |
| Charges for Services | 27,100 | 27,100 | 0 |
| Intergovernmental | 2,116,238 | 2,116,238 | 0 |
| Total Revenues | <u>2,921,544</u> | <u>2,921,544</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Human Services | | | |
| Children Services Levy | | | |
| Salary and Wages | 250,000 | 190,261 | 59,739 |
| Fringe Benefits | 282,832 | 209,612 | 73,220 |
| Contractual Services | 3,477,437 | 3,102,357 | 375,080 |
| Capital Outlay | 15,000 | 1,911 | 13,089 |
| Other | 130,000 | 50,407 | 79,593 |
| Total Expenditures | <u>4,155,269</u> | <u>3,554,548</u> | <u>600,721</u> |
| Net Change in Fund Balance | (1,233,725) | (633,004) | 600,721 |
| Fund Balance Beginning of Year | <u>1,162,189</u> | <u>1,162,189</u> | <u>0</u> |
| Fund Balance (Deficit) End of Year | <u><u>(\$71,536)</u></u> | <u><u>\$529,185</u></u> | <u><u>\$600,721</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|---------------------------|------------------------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental | \$768,444 | \$768,444 | \$0 |
| Other | 8,350 | 8,350 | 0 |
| Total Revenues | <u>776,794</u> | <u>776,794</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Economic Development and Assistance Community Development Block Grant Capital Outlay | <u>356,979</u> | <u>340,453</u> | <u>16,526</u> |
| Community Home Improvement Program | | | |
| Contractual Services | 637,500 | 341,861 | 295,639 |
| Capital Outlay | 2,000 | 750 | 1,250 |
| Other | <u>12,000</u> | <u>2,997</u> | <u>9,003</u> |
| Total Community Home Improvement Program | <u>651,500</u> | <u>345,608</u> | <u>305,892</u> |
| Industrial Site | | | |
| Contractual Services | <u>100,000</u> | <u>100,000</u> | <u>0</u> |
| Total Expenditures | <u>1,108,479</u> | <u>786,061</u> | <u>322,418</u> |
| Net Change in Fund Balance | (331,685) | (9,267) | 322,418 |
| Fund Balance Beginning of Year | <u>39,155</u> | <u>39,155</u> | <u>0</u> |
| Fund Balance (Deficit) End of Year | <u><u>(\$292,530)</u></u> | <u><u>\$29,888</u></u> | <u><u>\$322,418</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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|--------------------------------------|-------------------------|---------------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental | \$860,561 | \$860,561 | \$0 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Public Works | | | |
| Federal Emergency Management Agency | | | |
| Contractual Services | 700,700 | 700,700 | 0 |
| Excess of Revenues Over Expenditures | 159,861 | 159,861 | 0 |
| <u>Other Financing Uses:</u> | | | |
| Transfers Out | (159,861) | (159,861) | 0 |
| Net Change in Fund Balance | 0 | 0 | 0 |
| Fund Balance Beginning of Year | 0 | 0 | 0 |
| Fund Balance End of Year | \$0 | \$0 | \$0 |

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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------|-------------------------|---------------|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$1,097,022 | \$1,097,022 | \$0 |
| Intergovernmental | 36,469 | 36,469 | 0 |
| Total Revenues | 1,133,491 | 1,133,491 | 0 |
| <u>Expenditures:</u> | | | |
| Current: | | | |
| Senior Citizens Levy | | | |
| Contractual Services | 1,133,491 | 1,133,491 | 0 |
| Net Change in Fund Balance | 0 | 0 | 0 |
| Fund Balance Beginning of Year | 0 | 0 | 0 |
| Fund Balance End of Year | <u>\$0</u> | <u>\$0</u> | <u>\$0</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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---------------------------|---------------------------|---|
| <u>Revenues:</u> | | | |
| Property Taxes | \$1,119,436 | \$1,119,436 | \$0 |
| Permissive Sales Taxes | 1,128,764 | 1,128,764 | 0 |
| Intergovernmental | 117,910 | 117,910 | 0 |
| Rent | 310,561 | 310,561 | 0 |
| Total Revenues | <u>2,676,671</u> | <u>2,676,671</u> | <u>0</u> |
| <u>Expenditures:</u> | | | |
| Debt Service: | | | |
| Principal Retirement | 1,980,926 | 1,980,926 | 0 |
| Interest and Fiscal Charges | 1,340,676 | 1,340,597 | 79 |
| Interest on Capital Appreciation Bonds | 556,829 | 556,829 | 0 |
| Total Debt Service | <u>3,878,431</u> | <u>3,878,352</u> | <u>79</u> |
| Excess of Revenues Under Expenditures | <u>(1,201,760)</u> | <u>(1,201,681)</u> | <u>79</u> |
| <u>Other Financing Sources (Uses):</u> | | | |
| Notes Issued | 331,589 | 331,589 | 0 |
| Transfers In | 1,081,892 | 1,081,892 | 0 |
| Transfers Out | (31,174) | 0 | 31,174 |
| Total Other Financing Sources (Uses) | <u>1,382,307</u> | <u>1,413,481</u> | <u>31,174</u> |
| Net Change in Fund Balance | 180,547 | 211,800 | 31,253 |
| Fund Balance Beginning of Year | <u>1,716,425</u> | <u>1,716,425</u> | <u>0</u> |
| Fund Balance End of Year | <u><u>\$1,896,972</u></u> | <u><u>\$1,928,225</u></u> | <u><u>\$31,253</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|-------------------------|------------------|---|
| <u>Revenues:</u> | | | |
| Intergovernmental | \$87,489 | \$239,643 | \$152,154 |
| Other | 13,980 | 13,980 | 0 |
| Total Revenues | <u>101,469</u> | <u>253,623</u> | <u>152,154</u> |
| <u>Expenditures:</u> | | | |
| Capital Outlay | | | |
| Mental Retardation | 270,000 | 232,170 | 37,830 |
| Mental Health | 1,191,066 | 344,294 | 846,772 |
| Public Safety (911 Facility) | 1,274,046 | 1,274,046 | 0 |
| Total Expenditures | <u>2,735,112</u> | <u>1,850,510</u> | <u>884,602</u> |
| Excess of Revenues Under Expenditures | (2,633,643) | (1,596,887) | 1,036,756 |
| <u>Other Financing Sources:</u> | | | |
| Transfers In | <u>350,000</u> | <u>350,000</u> | <u>0</u> |
| Net Change in Fund Balance | (2,283,643) | (1,246,887) | 1,036,756 |
| Fund Balance Beginning of Year | <u>2,011,546</u> | <u>2,011,546</u> | <u>0</u> |
| Fund Balance (Deficit) End of Year | <u>(\$272,097)</u> | <u>\$764,659</u> | <u>\$1,036,756</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, 2006

| | Final Budget | Actual | Variance Positive (Negative) |
|---|-------------------------|----------------------|---|
| <u>Revenues:</u> | | | |
| Charges for Services | \$6,179,210 | \$6,179,210 | \$0 |
| Interest | 172,749 | 172,749 | 0 |
| Other Operating Revenue | 1,021,419 | 1,021,419 | 0 |
| Total Revenues | <u>7,373,378</u> | <u>7,373,378</u> | <u>0</u> |
| <u>Expenses:</u> | | | |
| Contractual Services | 0 | 1,250,054 | (1,250,054) |
| Claims | 0 | 4,323,967 | (4,323,967) |
| Total Expenses | <u>0</u> | <u>5,574,021</u> | <u>(5,574,021)</u> |
| Net Change in Fund Equity | 7,373,378 | 1,799,357 | (5,574,021) |
| Fund Equity (Deficit) Beginning of Year | <u>(5,084,718)</u> | <u>(5,084,718)</u> | <u>0</u> |
| Fund Equity (Deficit) End of Year | <u>\$2,288,660</u> | <u>(\$3,285,361)</u> | <u>(\$5,574,021)</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, 2006

| | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|-------------------------------|---------------------------|---------------------------|---|
| <u>Revenues:</u> | | | |
| Charges for Services | \$1,171,721 | \$1,171,721 | \$0 |
| Other Non-Operating Revenues | 17,603 | 17,603 | 0 |
| Total Revenues | <u>1,189,324</u> | <u>1,189,324</u> | <u>0</u> |
| <u>Expenses:</u> | | | |
| Contractual Services | 410,726 | 410,726 | 0 |
| Claims | 858,886 | 646,805 | 212,081 |
| Total Expenses | <u>1,269,612</u> | <u>1,057,531</u> | <u>212,081</u> |
| Net Change in Fund Equity | (80,288) | 131,793 | 212,081 |
| Fund Equity Beginning of Year | <u>5,016,454</u> | <u>5,016,454</u> | <u>0</u> |
| Fund Equity End of Year | <u><u>\$4,936,166</u></u> | <u><u>\$5,148,247</u></u> | <u><u>\$212,081</u></u> |

Statistical Section

Statistical Section

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

| <u>Contents</u> | <u>Page(s)</u> |
|--|-----------------------|
| Financial Trends These schedules contain trend information to help the reader understand how the county's financial position has changed over time. | S3-S9 |
| Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the county's ability to generate its most significant local revenue sources, the property tax and the sales tax. | S10-S28 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future. | S30-S36 |
| Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the county's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments. | S37-S38 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs. | S39-S45 |

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The county implemented GASB Statement 34 in 2002; schedules presenting government-wide information include information beginning in that year.

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Jefferson County
Net Assets by Component
Last Five Years
(Accrual Basis of Accounting)

| | 2006 | 2005 | 2004 (1) | 2003 (1) | 2002 (1) |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$66,576,876 | \$63,347,036 | \$62,117,147 | \$61,306,492 | \$61,368,427 |
| Restricted for: | | | | | |
| Debt Service | 2,229,122 | 1,972,200 | 1,770,126 | 1,137,310 | 2,463,868 |
| Capital Projects | 419,267 | 1,576,494 | 613,300 | 72,641 | 81,899 |
| Endowments | 954,732 | 880,141 | 844,116 | 0 | 0 |
| Public Assistance | 508,258 | 704,219 | 0 | 0 | 0 |
| Motor Vehicle and Gasoline Tax | 3,341,121 | 3,270,837 | 0 | 0 | 0 |
| Mental Health | 4,239,968 | 4,140,973 | 0 | 0 | 0 |
| Mental Retardation | 4,649,028 | 4,646,619 | 0 | 0 | 0 |
| Tuberculosis/Crippled Child Levy | 2,057,112 | 2,171,493 | 0 | 0 | 0 |
| Children Services | 578,448 | 1,438,407 | 0 | 0 | 0 |
| Other Purposes | 5,329,158 | 5,329,731 | 18,357,115 | 15,230,400 | 13,130,949 |
| Unrestricted (Deficit) | 149,640 | (3,526,265) | (6,691,302) | (5,604,083) | (3,706,760) |
| Restatements | 0 | 0 | 0 | 1,259,284 | (171,515) |
| <i>Total Governmental Activities Net Assets</i> | <u>91,032,730</u> | <u>85,951,885</u> | <u>77,010,502</u> | <u>73,402,044</u> | <u>73,166,868</u> |
| Business-type Activities | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$25,914,607 | \$24,312,154 | \$25,563,399 | \$23,283,102 | \$23,817,606 |
| Restricted for: | | | | | |
| Debt Service | 346,811 | 387,964 | 432,321 | 590,220 | 626,940 |
| Other Purposes | 0 | 0 | 46,641 | 43,734 | 45,312 |
| Unrestricted (Deficit) | 2,805,909 | 3,762,529 | 1,384,808 | 3,678,696 | 2,401,416 |
| Restatements | 0 | (77,693) | 0 | (433,238) | 40,000 |
| <i>Total Business-type Activities Net Assets</i> | <u>29,067,327</u> | <u>28,384,954</u> | <u>27,427,169</u> | <u>27,162,514</u> | <u>26,931,274</u> |
| Primary Government | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$92,491,483 | \$87,659,190 | \$87,680,546 | \$84,589,594 | \$85,186,033 |
| Restricted | 24,653,025 | 26,519,078 | 22,063,619 | 17,074,305 | 16,348,968 |
| Unrestricted (Deficit) | 2,955,549 | 236,264 | (5,306,494) | (1,925,387) | (1,305,344) |
| Restatements | 0 | (77,693) | 0 | 826,046 | (131,515) |
| <i>Total Primary Government Net Assets</i> | <u>\$120,100,057</u> | <u>\$114,336,839</u> | <u>\$104,437,671</u> | <u>\$100,564,558</u> | <u>\$100,098,142</u> |

(1) Governmental Activities - Restricted Net Assets for Other Purposes were not reported at a detailed level for specified purposes.

Jefferson County
Changes in Net Assets
Last Five Years
(Accrual Basis of Accounting)

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Program Revenues | | | | | |
| Governmental Activities: | | | | | |
| Charges for Services and Sales | | | | | |
| General Government: | | | | | |
| Legislative and Executive | \$2,709,336 | \$3,061,257 | \$2,468,399 | \$2,482,308 | \$1,865,011 |
| Judicial | 1,546,537 | 1,094,694 | 1,456,100 | 1,364,590 | 711,368 |
| Public Safety | 2,585,720 | 2,351,219 | 2,604,598 | 3,034,800 | 2,520,732 |
| Public Works | 339,725 | 435,870 | 347,737 | 414,109 | 530,707 |
| Health | 414,851 | 366,058 | 661,547 | 381,663 | 470,534 |
| Human Services | 1,702,390 | 910,528 | 651,911 | 964,322 | 987,138 |
| Economic Development and Assistance | 94,802 | 24,382 | 0 | 0 | 145,407 |
| Other | 0 | 0 | 0 | 0 | 285 |
| Interest and Fiscal Charges | 0 | 0 | 0 | 0 | 350,136 |
| Total Charges for Services and Sales | 9,393,361 | 8,244,008 | 8,190,292 | 8,641,792 | 7,581,318 |
| Operating Grants and Contributions | 37,859,912 | 41,118,887 | 34,714,896 | 36,293,210 | 33,901,664 |
| Capital Grants and Contributions | 239,643 | 772,694 | 155,921 | 96,212 | 89,232 |
| Total Governmental Activities Program Revenues | 47,492,916 | 50,135,589 | 43,061,109 | 45,031,214 | 41,572,214 |
| Business-type Activities: | | | | | |
| Charges for Services and Sales | | | | | |
| Sewer | 1,072,189 | 988,706 | 880,155 | 881,449 | 916,447 |
| Water | 4,741,234 | 4,945,259 | 4,768,592 | 4,198,098 | 3,802,505 |
| Total Charges for Services and Sales | 5,813,423 | 5,933,965 | 5,648,747 | 5,079,547 | 4,718,952 |
| Operating Grants and Contributions | 0 | 0 | 0 | 0 | 0 |
| Capital Grants and Contributions | 457,678 | 430,275 | 137,211 | 621,403 | 22,804 |
| Total Business-type Activities Program Revenues | 6,271,101 | 6,364,240 | 5,785,958 | 5,700,950 | 4,741,756 |
| Total Primary Government Program Revenues | 53,764,017 | 56,499,829 | 48,847,067 | 50,732,164 | 46,313,970 |

(continued)

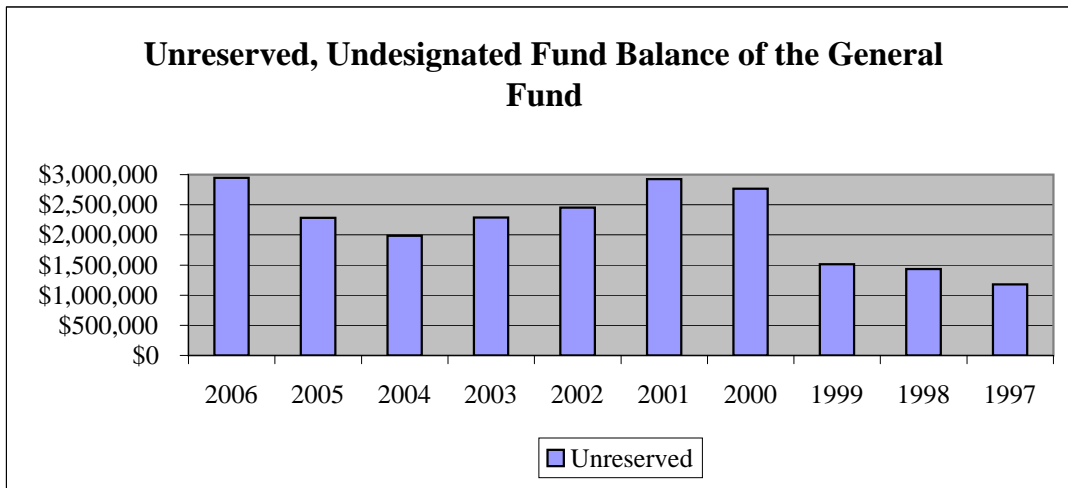
Jefferson County
Changes in Net Assets (Continued)
Last Five Years
(Accrual Basis of Accounting)

| Expenses | 2006 | 2005 | 2004 | 2003 | 2002 (1) |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities: | | | | | |
| General Government: | | | | | |
| Legislative and Executive | \$5,853,638 | \$5,174,809 | \$6,282,825 | \$6,682,596 | \$6,277,616 |
| Judicial | 3,465,112 | 3,101,127 | 3,806,554 | 3,955,549 | 3,901,162 |
| Public Safety | 9,640,492 | 9,831,505 | 10,045,476 | 11,341,063 | 10,248,365 |
| Public Works | 7,710,983 | 10,367,211 | 7,675,448 | 8,234,383 | 5,897,922 |
| Health | 16,649,240 | 15,679,298 | 15,554,606 | 17,141,185 | 16,219,730 |
| Human Services | 20,598,279 | 18,193,754 | 16,499,448 | 18,056,755 | 19,950,130 |
| Conservation and Recreation | 13,168 | 165,819 | 18,880 | 20,367 | 20,367 |
| Economic Development and Assistance | 1,343,160 | 652,632 | 1,380,489 | 1,737,358 | 1,202,975 |
| Intergovernmental | 116,436 | 82,500 | 63,304 | 293,695 | 40,500 |
| Other | 0 | 0 | 0 | 0 | 554,592 |
| Interest and Fiscal Charges | 1,798,202 | 1,726,050 | 1,633,070 | 1,711,286 | 1,774,465 |
| Total Governmental Activities | 67,188,710 | 64,974,705 | 62,960,100 | 69,174,237 | 66,087,824 |
| Business-Type Activities: | | | | | |
| Sewer | 1,742,699 | 1,390,462 | 1,515,858 | 1,339,831 | 1,262,027 |
| Water | 4,111,594 | 4,244,726 | 4,272,018 | 3,942,691 | 3,922,777 |
| Total Business-type Activities | 5,854,293 | 5,635,188 | 5,787,876 | 5,282,522 | 5,184,804 |
| Total Primary Government Program | 73,043,003 | 70,609,893 | 68,747,976 | 74,456,759 | 71,272,628 |
| Net (Expense)Revenue | | | | | |
| Governmental Activities | (19,695,794) | (14,839,116) | (19,898,991) | (24,143,023) | (24,515,610) |
| Business-type Activities | 416,808 | 729,052 | (1,918) | 418,428 | (443,048) |
| Total Primary Government Net (Expense)Revenue | (\$19,278,986) | (\$14,110,064) | (\$19,900,909) | (\$23,724,595) | (\$24,958,658) |
| General Revenues and Other Changes in Net Assets | | | | | |
| Governmental Activities: | | | | | |
| Property Taxes Levied for General Purposes | \$1,905,987 | \$1,867,766 | \$1,794,245 | \$1,746,042 | \$2,271,492 |
| Property Taxes Levied for: | | | | | |
| Mental Health | 322,275 | 325,000 | 321,386 | 321,411 | 426,103 |
| Mental Retardation and Developmental Disabilities | 2,634,019 | 2,591,296 | 2,555,198 | 2,544,047 | 3,511,633 |
| Jail Operating Levy | 1,151,228 | 1,132,081 | 1,116,396 | 1,110,788 | 1,526,650 |
| Emergency 911 | 1,281,099 | 1,259,365 | 1,239,180 | 1,263,163 | 1,150,651 |
| Tuberculosis/Crippled Child Levy | 657 | 1,052 | 2,793 | 30 | 164,937 |
| Children Services | 785,975 | 789,038 | 717,433 | 714,730 | 990,474 |
| Senior Citizens Levy | 1,110,357 | 1,243,042 | 39,270 | 0 | 0 |
| Debt Service | 1,143,873 | 1,112,208 | 1,095,444 | 1,038,742 | 1,135,172 |
| Permissive Sales Tax Levied for General Purposes | 4,422,764 | 4,287,327 | 4,299,136 | 4,031,020 | 8,374,157 |
| Permissive Sales Tax Levied for: | | | | | |
| Motor Vehicle Gas Tax | 2,658,121 | 2,575,836 | 2,539,027 | 2,532,938 | 0 |
| Jail Operating Levy | 0 | 0 | 270,432 | 200,000 | 0 |
| Permissive Sheriff | 1,283,400 | 1,244,595 | 1,648,536 | 1,665,129 | 0 |
| Debt Service | 1,145,131 | 1,107,087 | 488,021 | 349,960 | 0 |
| Grants and Entitlements not | | | | | |
| Restricted to Specific Programs | 2,873,786 | 2,604,999 | 4,753,685 | 4,959,388 | 3,595,466 |
| Investment Earnings | 947,993 | 539,569 | 229,005 | 239,436 | 410,725 |
| Miscellaneous | 1,109,974 | 1,100,238 | 398,262 | 402,091 | 604,142 |
| Transfers | 0 | 0 | 0 | 0 | (15,000) |
| Total Governmental Activities | 24,776,639 | 23,780,499 | 23,507,449 | 23,118,915 | 24,146,602 |
| Business-type Activities: | | | | | |
| Permissive Sales Tax Levied for: | | | | | |
| Sewer | 61,346 | 59,308 | 62,960 | 56,248 | 52,845 |
| Water | 184,039 | 177,924 | 188,881 | 168,743 | 158,533 |
| Investment Earnings | 0 | 7,814 | 4,110 | 6,117 | 15,125 |
| Miscellaneous | 20,180 | 61,380 | 10,622 | 14,942 | 2,558 |
| | 0 | 0 | 0 | 0 | 15,000 |
| Total Business-type Activities | 265,565 | 306,426 | 266,573 | 246,050 | 244,061 |
| Total Primary Government | 25,042,204 | 24,086,925 | 23,774,022 | 23,364,965 | 24,390,663 |
| Restatements | | | | | |
| Governmental Activities | 0 | 0 | 0 | 1,259,284 | (171,515) |
| Business-type Activities | 0 | (77,693) | 0 | (433,238) | 40,000 |
| Change in Net Assets | | | | | |
| Governmental Activities | 5,080,845 | 8,941,383 | 3,608,458 | 235,176 | (540,523) |
| Business-type Activities | 682,373 | 957,785 | 264,655 | 231,240 | (158,987) |
| Total Primary Government Change in Net Assets | \$5,763,218 | \$9,899,168 | \$3,873,113 | \$466,416 | (\$699,510) |

(1) = Permissive sales tax was reported in total, rather than specified for the purposes imposed.

Jefferson County
Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

| | 2006 | 2005 | 2004 | 2003 |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund | | | | |
| Reserved | \$546,805 | \$616,310 | \$397,138 | \$302,592 |
| Unreserved, Designated for Equipment | 42,459 | 43,744 | 42,515 | 41,980 |
| Unreserved, Undesignated | 2,946,670 | 2,281,991 | 1,987,742 | 2,287,062 |
| Restatements | 0 | 0 | 0 | 0 |
| <i>Total General Fund</i> | <u>3,535,934</u> | <u>2,942,045</u> | <u>2,427,395</u> | <u>2,631,634</u> |
| All Other Governmental Funds | | | | |
| Reserved | 970,915 | 995,611 | 974,278 | 112,376 |
| Unreserved, Undesignated Reported in: | | | | |
| Special Revenue Funds | 10,098,283 | 8,568,880 | 7,704,529 | 9,306,996 |
| Debt Service Funds | 2,271,789 | 2,021,574 | 1,811,204 | 2,017,073 |
| Capital Projects Funds | 419,267 | 1,576,494 | 615,559 | (4,164,009) |
| Restatements | 0 | 0 | 0 | 1,259,284 |
| <i>Total All Other Governmental Funds</i> | <u>13,760,254</u> | <u>13,162,559</u> | <u>11,105,570</u> | <u>8,531,720</u> |
| <i>Total Governmental Funds</i> | <u><u>\$17,296,188</u></u> | <u><u>\$16,104,604</u></u> | <u><u>\$13,532,965</u></u> | <u><u>\$11,163,354</u></u> |



| 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|-------------|-------------|-------------|-------------|-------------|-------------|
| \$370,247 | \$523,714 | \$129,912 | \$144,530 | \$192,002 | \$147,661 |
| 50,627 | 42,917 | 0 | 0 | 0 | 0 |
| 2,450,929 | 2,923,767 | 2,766,583 | 1,512,954 | 1,432,522 | 1,177,956 |
| 0 | 138,801 | 471,334 | 0 | 0 | 0 |
| 2,871,803 | 3,629,199 | 3,367,829 | 1,657,484 | 1,624,524 | 1,325,617 |
| 173,839 | 2,611,479 | 1,777,855 | 1,709,121 | 2,949,204 | 2,089,899 |
| 6,687,441 | 5,487,203 | 5,162,116 | 7,015,767 | 6,593,353 | 6,801,660 |
| 2,311,876 | 0 | 0 | 0 | 0 | 0 |
| (4,019,867) | (4,271,766) | (4,065,895) | (3,137,495) | (1,302,166) | (8,125,796) |
| 685,301 | 1,452,518 | 582,057 | 0 | 0 | 0 |
| 5,838,590 | 5,279,434 | 3,456,133 | 5,587,393 | 8,240,391 | 765,763 |
| \$8,710,393 | \$8,908,633 | \$6,823,962 | \$7,244,877 | \$9,864,915 | \$2,091,380 |

Jefferson County
Changes in Fund Balances, Governmental Funds
Last Ten Years
(modified accrual basis of accounting)

| | 2006 | 2005 | 2004 | 2003 |
|---|--------------------|--------------------|--------------------|--------------------|
| Revenues | | | | |
| Property Taxes | \$10,309,508 | \$10,332,740 | \$8,929,575 | \$8,666,617 |
| Permissive Sales Tax | 9,509,416 | 9,214,845 | 9,245,152 | 8,779,047 |
| Charges for Services | 7,816,192 | 6,752,019 | 6,329,676 | 6,784,643 |
| Licenses and Permits | 370,725 | 366,066 | 390,045 | 365,430 |
| Fines and Forfeitures | 809,180 | 701,740 | 469,565 | 485,280 |
| Intergovernmental | 42,942,084 | 42,244,624 | 37,196,037 | 40,675,096 |
| Interest | 742,094 | 469,229 | 224,646 | 240,594 |
| Rent | 414,400 | 438,617 | 453,391 | 452,269 |
| Other | 1,109,974 | 1,100,238 | 1,861,045 | 1,429,546 |
| <i>Total Revenues</i> | <u>74,023,573</u> | <u>71,620,118</u> | <u>65,099,132</u> | <u>67,878,522</u> |
| Expenditures | | | | |
| Current: | | | | |
| General Government: | | | | |
| Legislative and Executive | 5,821,172 | 6,319,387 | 5,959,119 | 5,774,973 |
| Judicial | 3,832,535 | 3,356,664 | 4,069,414 | 3,659,596 |
| Public Safety | 10,148,699 | 10,262,366 | 9,814,349 | 9,971,821 |
| Public Works | 7,518,752 | 9,432,182 | 7,507,786 | 5,961,808 |
| Health | 17,226,039 | 16,137,815 | 16,065,876 | 16,624,321 |
| Human Services | 21,117,193 | 18,924,067 | 17,149,812 | 17,479,547 |
| Conservation and Recreation | 0 | 0 | 0 | 0 |
| Economic Development and Assistance | 1,180,764 | 1,032,238 | 2,663,978 | 1,615,646 |
| Other | 410,380 | 250,398 | 357,299 | 611,041 |
| Capital Outlay | 2,305,515 | 1,630,299 | 42,513 | 1,543,423 |
| Intergovernmental | 116,436 | 82,500 | 63,304 | 293,695 |
| Debt Service: | | | | |
| Principal Retirement | 2,134,861 | 2,076,203 | 2,072,482 | 2,011,626 |
| Interest and Fiscal Charges | 1,378,468 | 1,387,642 | 1,337,342 | 1,478,910 |
| Issuance Costs | 0 | 0 | 111,777 | 0 |
| Interest on Capital Appreciation Bonds | 556,829 | 0 | 0 | 0 |
| <i>Total Expenditures</i> | <u>73,747,643</u> | <u>70,891,761</u> | <u>67,215,051</u> | <u>67,026,407</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>275,930</u> | <u>728,357</u> | <u>(2,115,919)</u> | <u>852,115</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 3,647,784 | 2,980,473 | 2,912,564 | 2,820,449 |
| General Obligation Bonds Issued | 0 | 0 | 4,335,000 | 0 |
| Premium on General Obligation Bonds Issued | 0 | 0 | 131,512 | 0 |
| Revenue Anticipation Notes Issued | 331,589 | 1,702,000 | 0 | 0 |
| Inception of Capital Lease | 584,065 | 141,282 | 19,018 | 62,020 |
| Proceeds of Loans | 0 | 0 | 0 | 263,695 |
| Sale of Assets | 0 | 0 | 0 | 15,847 |
| Refund of Prior Year Expenditures | 0 | 0 | 0 | 0 |
| Refund of Prior Year Receipts | 0 | 0 | 0 | 0 |
| Transfers Out | (3,647,784) | (2,980,473) | (2,912,564) | (2,820,449) |
| <i>Total Other Financing Sources (Uses)</i> | <u>915,654</u> | <u>1,843,282</u> | <u>4,485,530</u> | <u>341,562</u> |
| Increase (Decrease) in Reserve for Inventory | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Restatements | <u>0</u> | <u>0</u> | <u>0</u> | <u>1,259,284</u> |
| <i>Net Change in Fund Balances</i> | <u>\$1,191,584</u> | <u>\$2,571,639</u> | <u>\$2,369,611</u> | <u>\$2,452,961</u> |
| Debt Service as a Percentage of | | | | |
| Noncapital Expenditures | 5.7% | 5.0% | 5.2% | 5.3% |

| 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|--------------------|--------------------|--------------------|----------------------|---------------------|----------------------|
| \$10,375,639 | \$10,578,516 | \$10,445,091 | \$10,241,631 | \$9,979,525 | \$9,130,744 |
| 8,374,157 | 8,266,164 | 7,309,466 | 6,836,192 | 6,332,356 | 7,209,385 |
| 5,074,176 | 3,917,885 | 4,030,642 | 4,459,751 | 3,295,992 | 2,471,974 |
| 516,601 | 821,754 | 1,711,937 | 1,750,472 | 1,756,406 | 1,635,010 |
| 301,151 | 548,421 | 443,917 | 203,251 | 349,792 | 274,742 |
| 37,744,547 | 40,065,344 | 32,736,588 | 27,152,768 | 27,182,980 | 23,976,905 |
| 405,329 | 1,001,583 | 1,441,017 | 1,143,516 | 1,073,960 | 763,147 |
| 437,951 | 448,671 | 442,782 | 450,734 | 431,450 | 495,760 |
| 1,506,434 | 862,260 | 2,722,639 | 1,400,105 | 1,639,498 | 3,105,595 |
| <u>64,735,985</u> | <u>66,510,598</u> | <u>61,284,079</u> | <u>53,638,420</u> | <u>52,041,959</u> | <u>49,063,262</u> |
| 6,091,307 | 5,987,982 | 6,200,815 | 5,852,699 | 5,813,935 | 5,576,380 |
| 3,525,338 | 3,185,897 | 3,387,583 | 2,959,907 | 2,773,796 | 2,715,381 |
| 8,833,801 | 9,386,770 | 9,423,622 | 7,254,842 | 6,924,171 | 6,295,735 |
| 7,208,011 | 6,294,706 | 6,941,665 | 5,815,575 | 6,111,093 | 5,737,499 |
| 15,373,084 | 15,250,036 | 13,965,153 | 12,924,016 | 13,024,641 | 12,936,276 |
| 19,071,221 | 20,820,755 | 15,989,466 | 13,819,011 | 13,023,668 | 12,923,111 |
| 0 | 0 | 125,893 | 133,812 | 0 | 0 |
| 1,298,751 | 1,203,546 | 1,367,155 | 1,126,944 | 503,936 | 815,783 |
| 554,592 | 477,797 | 411,079 | 72,382 | 386,171 | 378,880 |
| 299,098 | 509,234 | 1,923,227 | 3,957,770 | 7,122,381 | 5,720,502 |
| 40,500 | 143,765 | 181,168 | 172,986 | 176,137 | 169,930 |
| 1,970,066 | 1,660,451 | 1,318,502 | 1,118,502 | 15,899,092 | 460,502 |
| 1,581,808 | 1,728,054 | 1,676,920 | 1,730,391 | 2,278,021 | 1,526,531 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>65,847,577</u> | <u>66,648,993</u> | <u>62,912,248</u> | <u>56,938,837</u> | <u>74,037,042</u> | <u>55,256,510</u> |
| <u>(1,111,592)</u> | <u>(138,395)</u> | <u>(1,628,169)</u> | <u>(3,300,417)</u> | <u>(21,995,083)</u> | <u>(6,193,248)</u> |
| 3,494,013 | 3,164,164 | 1,128,051 | 3,190,071 | 2,845,631 | 269,081 |
| 0 | 0 | 0 | 0 | 30,587,287 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 0 | 700,000 | 324,045 | 0 | 0 | 190,000 |
| 63,051 | 61,076 | 0 | 0 | 0 | 0 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 180,000 | 80,050 | 75 | 2,683 | 0 | 0 |
| 0 | 0 | 2,974 | 0 | 0 | 0 |
| 0 | 0 | (18,011) | 0 | 0 | 0 |
| <u>(3,509,013)</u> | <u>(3,327,416)</u> | <u>(1,375,868)</u> | <u>(2,551,311)</u> | <u>(3,494,859)</u> | <u>(279,971)</u> |
| <u>228,051</u> | <u>677,874</u> | <u>61,266</u> | <u>641,443</u> | <u>29,938,059</u> | <u>179,110</u> |
| <u>0</u> | <u>(46,127)</u> | <u>92,597</u> | <u>38,936</u> | <u>63,825</u> | <u>(142,861)</u> |
| <u>685,301</u> | <u>1,591,319</u> | <u>1,053,391</u> | <u>0</u> | <u>(233,266)</u> | <u>0</u> |
| <u>(\$198,240)</u> | <u>\$2,084,671</u> | <u>(\$420,915)</u> | <u>(\$2,620,038)</u> | <u>\$7,773,535</u> | <u>(\$6,156,999)</u> |

5.4%

5.1%

4.9%

5.4%

27.2%

4.0%

Jefferson County
Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

| Collection Year | Real Property | | | Tangible Personal Property | |
|-----------------|--------------------------|--------------------------|------------------------|----------------------------|------------------------|
| | Assessed Value | | Estimated Actual Value | Public Utility | |
| | Residential/Agricultural | Commercial/Industrial/PU | | Assessed Value | Estimated Actual Value |
| 2006 | \$618,885,530 | \$174,259,160 | \$2,266,127,686 | \$221,851,440 | 633,861,310 |
| 2005 | 611,101,090 | 174,170,290 | 2,243,632,514 | 218,676,990 | 624,791,400 |
| 2004 | 606,057,200 | 168,414,910 | 2,212,777,457 | 207,241,430 | 592,118,371 |
| 2003 | 561,336,380 | 154,798,370 | 2,046,099,286 | 207,383,520 | 592,524,343 |
| 2002 | 558,299,540 | 151,658,190 | 2,028,450,657 | 203,468,090 | 581,337,400 |
| 2001 | 557,811,710 | 149,505,700 | 2,020,906,886 | 413,280,270 | 1,180,800,771 |
| 2000 | 437,500,420 | 139,513,910 | 1,648,612,371 | 414,206,920 | 1,183,448,343 |
| 1999 | 431,203,490 | 138,982,190 | 1,629,101,943 | 421,666,210 | 1,204,760,600 |
| 1998 | 426,309,620 | 137,854,150 | 1,611,896,486 | 421,805,200 | 1,205,157,714 |
| 1997 | 385,324,580 | 135,681,600 | 1,488,589,086 | 422,643,900 | 1,207,554,000 |

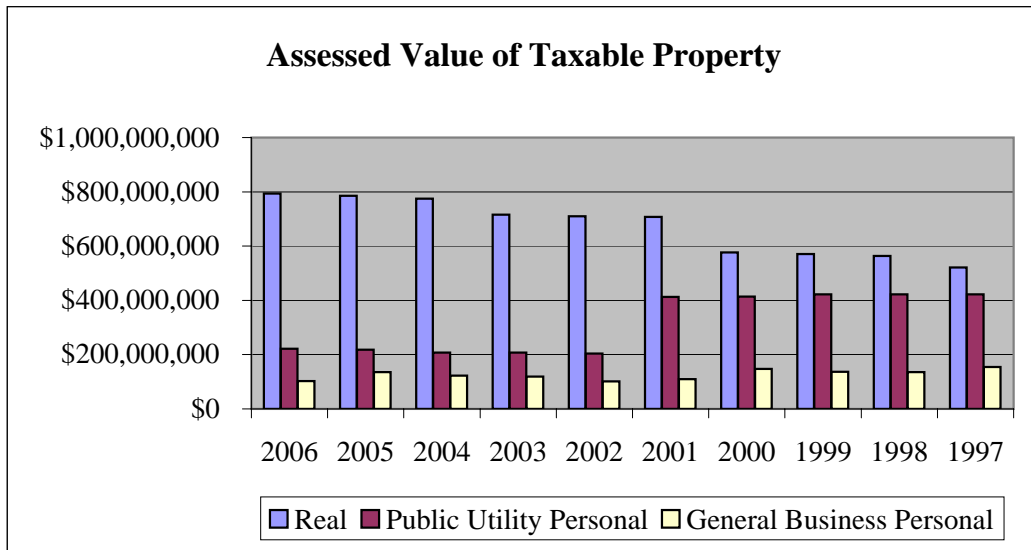
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

The assessed value of real property (including public utility real property) is 35 percent of estimated true value. Personal property tax is assessed on all tangible personal property used in business in Ohio. The assessed value of public utility personal property ranges from 25 percent of true value for railroad property to 88 percent for electric transmission and distribution property. General business tangible personal property is assessed at 25 percent for machinery and equipment and 23 percent for inventories. The general business tangible personal property tax is being phased out beginning in 2006. The listing percentage is 18.75% for 2006, 12.5% for 2007, 6.25% for 2008 and zero for 2009.

The tangible personal property values associated with each year are the values that, when multiplied by the applicable rates, generated the property tax revenue billed in that year. For real property, the amounts generated by multiplying the assessed values by the applicable rates would be reduced by the 10%, 2 1/2% and homestead exemptions before being billed. Beginning in the 2006 collection year, the 10% rollback for commercial/industrial property has been eliminated.

Source : *Jefferson County Auditor, 2006*
Ohio Department of Taxation, 1997-2005

| Tangible Personal Property | | | | | Weighted Average Tax Rate |
|----------------------------|------------------------------|-------------------|------------------------------|--------|---------------------------------|
| General Business | | Total | | | |
| Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value | Ratio | |
| \$102,147,765 | 544,788,080 | \$1,117,143,895 | \$3,444,777,076 | 32.43% | \$9.76 |
| 135,899,620 | 543,598,480 | 1,139,847,990 | 3,412,022,394 | 33.41% | 9.84 |
| 123,007,697 | 492,030,788 | 1,104,721,237 | 3,296,926,616 | 33.51% | 8.79 |
| 118,801,812 | 475,207,248 | 1,042,320,082 | 3,113,830,877 | 33.47% | 9.07 |
| 101,440,650 | 405,762,600 | 1,014,866,470 | 3,015,550,657 | 33.65% | 8.75 |
| 110,083,244 | 440,332,976 | 1,230,680,924 | 3,642,040,633 | 33.79% | 9.09 |
| 147,181,156 | 588,724,624 | 1,138,402,406 | 3,420,785,338 | 33.28% | 9.82 |
| 136,296,311 | 545,185,244 | 1,128,148,201 | 3,379,047,787 | 33.39% | 9.83 |
| 135,417,606 | 541,670,424 | 1,121,386,576 | 3,358,724,624 | 33.39% | 9.84 |
| 154,929,224 | 619,716,896 | 1,098,579,304 | 3,315,859,982 | 33.13% | 9.75 |



Jefferson County
Property Tax Rates
(per \$1,000 of assessed value)
Last Ten Years

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-----------|-----------|-----------|-----------|-----------|
| Unvoted Millage | | | | | |
| Operating | 1.850000 | 1.850000 | 1.850000 | 1.850000 | 1.850000 |
| Voted Millage - by levy | | | | | |
| 1976 Mental Health | | | | | |
| Residential/Agricultural Real | 0.144091 | 0.144221 | 0.144299 | 0.154978 | 0.155052 |
| Commercial/Industrial and Public Utility Real | 0.394652 | 0.394695 | 0.394072 | 0.418910 | 0.417817 |
| General Business and Public Utility Personal | 0.500000 | 0.500000 | 0.500000 | 0.500000 | 0.500000 |
| 1985 Mental Retardation Development Disability | | | | | |
| Residential/Agricultural Real | 0.900279 | 0.901090 | 0.901582 | 0.968306 | 0.968767 |
| Commercial/Industrial and Public Utility Real | 1.546081 | 1.546248 | 1.543807 | 1.641115 | 1.636831 |
| General Business and Public Utility Personal | 1.800000 | 1.800000 | 1.800000 | 1.800000 | 1.800000 |
| 1987 Tuberculosis Hospital | | | | | |
| Residential/Agricultural Real | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.161527 |
| Commercial/Industrial and Public Utility Real | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.273362 |
| General Business and Public Utility Personal | 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.300000 |
| 1988 Children Services | | | | | |
| Residential/Agricultural Real | 0.500641 | 0.501092 | 0.501366 | 0.538471 | 0.538727 |
| Commercial/Industrial and Public Utility Real | 0.860924 | 0.861017 | 0.859658 | 0.913843 | 0.911457 |
| General Business and Public Utility Personal | 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| 1992 Bond / Jail (\$15,000,000) | | | | | |
| Residential/Agricultural Real | 1.100000 | 1.100000 | 1.100000 | 1.100000 | 1.100000 |
| Commercial/Industrial and Public Utility Real | 1.100000 | 1.100000 | 1.100000 | 1.100000 | 1.100000 |
| General Business and Public Utility Personal | 1.100000 | 1.100000 | 1.100000 | 1.100000 | 1.100000 |
| 1992 Mental Retardation Development Disability | | | | | |
| Residential/Agricultural Real | 0.920463 | 0.921292 | 0.921796 | 0.990017 | 0.990488 |
| Commercial/Industrial and Public Utility Real | 1.523728 | 1.523893 | 1.521488 | 1.617388 | 1.613165 |
| General Business and Public Utility Personal | 1.700000 | 1.700000 | 1.700000 | 1.700000 | 1.700000 |
| 1992 9-1-1 System | | | | | |
| Residential/Agricultural Real | 0.351941 | 0.352259 | 0.352451 | 0.378535 | 0.378716 |
| Commercial/Industrial and Public Utility Real | 0.582602 | 0.582665 | 0.581745 | 0.618413 | 0.616798 |
| General Business and Public Utility Personal | 0.650000 | 0.650000 | 0.650000 | 0.650000 | 0.650000 |
| 1993 Jail Operating and Equipment | | | | | |
| Residential/Agricultural Real | 0.812881 | 0.813613 | 0.814057 | 0.874303 | 0.874720 |
| Commercial/Industrial and Public Utility Real | 1.344466 | 1.344612 | 1.342489 | 1.427107 | 1.423381 |
| General Business and Public Utility Personal | 1.500000 | 1.500000 | 1.500000 | 1.500000 | 1.500000 |
| 1997 9-1-1 System | | | | | |
| Residential/Agricultural Real | 0.232950 | 0.233160 | 0.233287 | 0.250552 | 0.250672 |
| Commercial/Industrial and Public Utility Real | 0.313708 | 0.313742 | 0.313247 | 0.332991 | 0.332122 |
| General Business and Public Utility Personal | 0.350000 | 0.350000 | 0.350000 | 0.350000 | 0.350000 |
| 2002 9-1-1 System | | | | | |
| Residential/Agricultural Real | 0.464650 | 0.465069 | 0.465323 | 0.499761 | 0.000000 |
| Commercial/Industrial and Public Utility Real | 0.471045 | 0.471096 | 0.470353 | 0.500000 | 0.000000 |
| General Business and Public Utility Personal | 0.500000 | 0.500000 | 0.500000 | 0.500000 | 0.000000 |
| 2004 Senior Citizens | | | | | |
| Residential/Agricultural Real | 0.998553 | 0.999453 | 0.000000 | 0.000000 | 0.000000 |
| Commercial/Industrial and Public Utility Real | 0.999891 | 1.000000 | 0.000000 | 0.000000 | 0.000000 |
| General Business and Public Utility Personal | 1.000000 | 1.000000 | 0.000000 | 0.000000 | 0.000000 |
| Total voted millage by type of property | | | | | |
| Residential/Agricultural Real | 6.426449 | 6.431249 | 5.434161 | 5.754923 | 5.418669 |
| Commercial/Industrial and Public Utility Real | 9.137097 | 9.137968 | 8.126859 | 8.569767 | 8.324933 |
| General Business and Public Utility Personal | 10.100000 | 10.100000 | 9.100000 | 9.100000 | 8.900000 |
| Total millage by type of property | | | | | |
| Residential/Agricultural Real | 8.276449 | 8.281249 | 7.284161 | 7.604923 | 7.268669 |
| Commercial/Industrial and Public Utility Real | 10.987097 | 10.987968 | 9.976859 | 10.419767 | 10.174933 |
| General Business and Public Utility Personal | 11.950000 | 11.950000 | 10.950000 | 10.950000 | 10.750000 |

The rates presented for a particular calendar year are the rates that, when applied to the assessed values presented in the Assessed Value Table, generated the property tax revenue billed in that year.

Rates may only be raised by obtaining the approval of a majority of the voters at a public election.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Source : Jefferson County Auditor

| 2001 | 2000 | 1999 | 1998 | 1997 |
|-----------|-----------|-----------|-----------|-----------|
| 1.850000 | 1.850000 | 1.850000 | 1.850000 | 1.850000 |
| 0.154378 | 0.195236 | 0.195567 | 0.195904 | 0.216489 |
| 0.416999 | 0.440307 | 0.439777 | 0.439922 | 0.436729 |
| 0.500000 | 0.500000 | 0.500000 | 0.500000 | 0.500000 |
| 0.964557 | 1.219840 | 1.221910 | 1.224016 | 1.352633 |
| 1.633627 | 1.724940 | 1.722861 | 1.723428 | 1.710919 |
| 1.800000 | 1.800000 | 1.800000 | 1.800000 | 1.800000 |
| 0.160825 | 0.203389 | 0.203735 | 0.204086 | 0.225531 |
| 0.272827 | 0.288077 | 0.287730 | 0.287824 | 0.285735 |
| 0.300000 | 0.300000 | 0.300000 | 0.300000 | 0.300000 |
| 0.536386 | 0.678347 | 0.679498 | 0.680670 | 0.752193 |
| 0.909673 | 0.960519 | 0.959362 | 0.959678 | 0.952713 |
| 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| 1.100000 | 1.100000 | 1.100000 | 1.100000 | 1.100000 |
| 1.100000 | 1.100000 | 1.100000 | 1.100000 | 1.100000 |
| 1.100000 | 1.100000 | 1.100000 | 1.100000 | 1.100000 |
| 0.986183 | 1.247189 | 1.249306 | 1.251460 | 1.382960 |
| 1.610007 | 1.700000 | 1.699439 | 1.700000 | 1.700000 |
| 1.700000 | 1.700000 | 1.700000 | 1.700000 | 1.700000 |
| 0.377070 | 0.476866 | 0.477675 | 0.478499 | 0.528778 |
| 0.615590 | 0.650000 | 0.649785 | 0.650000 | 0.650000 |
| 0.650000 | 0.650000 | 0.650000 | 0.650000 | 0.650000 |
| 0.870919 | 1.101418 | 1.103287 | 1.105189 | 1.221321 |
| 1.420594 | 1.500000 | 1.499505 | 1.500000 | 1.500000 |
| 1.500000 | 1.500000 | 1.500000 | 1.500000 | 1.500000 |
| 0.249582 | 0.315638 | 0.316174 | 0.316719 | 0.000000 |
| 0.331472 | 0.350000 | 0.349884 | 0.350000 | 0.000000 |
| 0.350000 | 0.350000 | 0.350000 | 0.350000 | 0.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 5.399900 | 6.537923 | 6.547152 | 6.556543 | 6.779905 |
| 8.310789 | 8.713843 | 8.708343 | 8.710852 | 8.336096 |
| 8.900000 | 8.900000 | 8.900000 | 8.900000 | 8.550000 |
| 7.249900 | 8.387923 | 8.397152 | 8.406543 | 8.629905 |
| 10.160789 | 10.563843 | 10.558343 | 10.560852 | 10.186096 |
| 10.750000 | 10.750000 | 10.750000 | 10.750000 | 10.400000 |

Jefferson County
Property Tax Rates of Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Years

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|-----------|-----------|-----------|-----------|-----------|
| Cities: | | | | | |
| Steubenville | | | | | |
| Residential/Agricultural Real | 5.225315 | 5.225395 | 5.225215 | 5.253690 | 5.252545 |
| Commercial/Industrial and Public Utility Real | 6.874145 | 6.870630 | 6.871230 | 7.235710 | 7.234525 |
| General Business and Public Utility Personal | 8.200000 | 8.200000 | 8.200000 | 8.200000 | 8.200000 |
| Toronto | | | | | |
| Residential/Agricultural Real | 3.063855 | 5.064957 | 5.065048 | 5.171714 | 3.071960 |
| Commercial/Industrial and Public Utility Real | 3.228647 | 5.185425 | 5.185425 | 5.352398 | 3.252589 |
| General Business and Public Utility Personal | 3.400000 | 5.500000 | 5.500000 | 5.500000 | 3.400000 |
| Villages: | | | | | |
| Adena | | | | | |
| Residential/Agricultural Real | 14.889954 | 15.421890 | 15.420980 | 14.495084 | 14.960111 |
| Commercial/Industrial and Public Utility Real | 19.101823 | 19.053330 | 19.053330 | 19.460439 | 19.488854 |
| General Business and Public Utility Personal | 25.000000 | 25.000000 | 25.000000 | 25.000000 | 25.000000 |
| Amsterdam | | | | | |
| Residential/Agricultural Real | 11.982292 | 11.982240 | 11.982240 | 12.459121 | 12.460218 |
| Commercial/Industrial and Public Utility Real | 15.382494 | 15.382494 | 15.382494 | 16.539008 | 16.539008 |
| General Business and Public Utility Personal | 19.400000 | 19.400000 | 19.400000 | 19.400000 | 19.400000 |
| Bergholz | | | | | |
| Residential/Agricultural Real | 4.462889 | 4.463635 | 4.465983 | 4.575800 | 4.576648 |
| Commercial/Industrial and Public Utility Real | 3.774557 | 3.769513 | 3.769513 | 3.823445 | 3.818858 |
| General Business and Public Utility Personal | 8.200000 | 8.200000 | 8.200000 | 8.200000 | 8.200000 |
| Bloomingsdale | | | | | |
| Residential/Agricultural Real | 2.113807 | 2.113807 | 5.009427 | 5.143875 | 5.143875 |
| Commercial/Industrial and Public Utility Real | 1.945071 | 1.945071 | 5.040271 | 5.401128 | 5.401128 |
| General Business and Public Utility Personal | 3.400000 | 3.400000 | 8.400000 | 8.400000 | 8.400000 |
| Dillonville | | | | | |
| Residential/Agricultural Real | 10.754622 | 10.755172 | 10.745045 | 9.112789 | 9.112550 |
| Commercial/Industrial and Public Utility Real | 14.212777 | 14.213371 | 13.919691 | 12.995329 | 12.996442 |
| General Business and Public Utility Personal | 18.900000 | 18.900000 | 18.900000 | 16.900000 | 16.900000 |
| Empire | | | | | |
| Residential/Agricultural Real | 7.003240 | 7.008870 | 7.008870 | 7.268340 | 7.268530 |
| Commercial/Industrial and Public Utility Real | 7.301085 | 7.301085 | 7.301085 | 7.748915 | 7.794335 |
| General Business and Public Utility Personal | 12.200000 | 12.200000 | 12.200000 | 12.200000 | 12.200000 |
| Irondale | | | | | |
| Residential/Agricultural Real | 9.078500 | 6.536964 | 6.498977 | 6.740835 | 6.740835 |
| Commercial/Industrial and Public Utility Real | 8.766495 | 6.979691 | 6.979691 | 7.826420 | 7.826420 |
| General Business and Public Utility Personal | 11.000000 | 11.000000 | 11.000000 | 11.000000 | 11.000000 |

| 2001 | 2000 | 1999 | 1998 | 1997 |
|-----------|-----------|-----------|-----------|-----------|
| 5.241120 | 5.783855 | 5.787515 | 5.788520 | 6.050955 |
| 7.222165 | 7.381070 | 7.375985 | 7.379595 | 7.376605 |
| 8.200000 | 8.200000 | 8.200000 | 8.200000 | 8.200000 |
| 3.071897 | 3.579917 | 5.848562 | 5.848959 | 3.149273 |
| 3.262689 | 3.794523 | 6.293866 | 6.294436 | 3.294759 |
| 3.400000 | 3.900000 | 6.400000 | 6.400000 | 3.400000 |
| 12.897809 | 12.439129 | 12.772059 | 12.772059 | 13.536342 |
| 17.488854 | 16.119216 | 16.067297 | 16.067297 | 16.067297 |
| 23.000000 | 20.000000 | 20.000000 | 20.000000 | 20.000000 |
| 12.395688 | 17.728217 | 15.028217 | 15.028217 | 16.335714 |
| 16.328912 | 19.084634 | 16.384634 | 16.384634 | 16.384634 |
| 19.400000 | 19.400000 | 16.700000 | 16.700000 | 16.700000 |
| 4.574944 | 5.626958 | 5.627260 | 5.628635 | 5.986709 |
| 3.818858 | 7.126918 | 7.126918 | 7.126918 | 7.126918 |
| 8.200000 | 8.200000 | 8.200000 | 8.200000 | 8.200000 |
| 5.126909 | 5.917764 | 5.913550 | 5.913550 | 6.352122 |
| 5.401128 | 6.505186 | 6.505186 | 6.505186 | 6.505186 |
| 8.400000 | 8.400000 | 8.400000 | 8.400000 | 8.400000 |
| 9.063512 | 10.432720 | 10.432032 | 10.431072 | 11.176877 |
| 12.624991 | 12.896035 | 12.866258 | 12.866259 | 12.866258 |
| 16.900000 | 16.900000 | 16.900000 | 16.900000 | 16.900000 |
| 7.260760 | 8.634035 | 8.639590 | 8.676345 | 9.850140 |
| 7.794335 | 7.462055 | 7.566500 | 7.721085 | 8.221085 |
| 12.200000 | 12.200000 | 12.200000 | 12.200000 | 12.700000 |
| 6.714839 | 8.636934 | 8.640623 | 8.640623 | 9.366086 |
| 7.401800 | 11.000000 | 11.000000 | 11.000000 | 11.000000 |
| 11.000000 | 11.000000 | 11.000000 | 11.000000 | 11.000000 |

(Continued)

Jefferson County
Property Tax Rates of Overlapping Governments
(per \$1,000 of assessed value)
Last Ten Years

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|-----------|-----------|-----------|-----------|-----------|
| Mingo Junction | | | | | |
| Residential/Agricultural Real | 6.233114 | 6.235980 | 6.236490 | 6.411566 | 4.411482 |
| Commercial/Industrial and Public Utility Real | 8.358302 | 8.358970 | 8.358970 | 8.567732 | 6.562024 |
| General Business and Public Utility Personal | 8.800000 | 8.800000 | 8.800000 | 8.800000 | 6.800000 |
| Mt. Pleasant | | | | | |
| Residential/Agricultural Real | 15.387891 | 15.389516 | 15.389516 | 16.031947 | 16.002869 |
| Commercial/Industrial and Public Utility Real | 17.510090 | 17.510090 | 17.510090 | 18.822738 | 18.822738 |
| General Business and Public Utility Personal | 26.900000 | 26.900000 | 26.900000 | 26.900000 | 26.900000 |
| New Alexandria | | | | | |
| Residential/Agricultural Real | 7.160095 | 7.162935 | 7.162390 | 2.400000 | 4.864085 |
| Commercial/Industrial and Public Utility Real | 7.154395 | 7.154395 | 7.154395 | 2.400000 | 6.396005 |
| General Business and Public Utility Personal | 7.400000 | 7.400000 | 7.400000 | 2.400000 | 7.400000 |
| Rayland | | | | | |
| Residential/Agricultural Real | 3.746785 | 3.746785 | 3.746785 | 3.819289 | 3.819289 |
| Commercial/Industrial and Public Utility Real | 3.466336 | 3.466336 | 3.466336 | 3.536989 | 3.536989 |
| General Business and Public Utility Personal | 5.200000 | 5.200000 | 5.200000 | 5.200000 | 5.200000 |
| Richmond | | | | | |
| Residential/Agricultural Real | 5.720948 | 5.718374 | 5.719495 | 5.930221 | 5.930168 |
| Commercial/Industrial and Public Utility Real | 5.962734 | 5.962734 | 5.962734 | 6.346817 | 6.346817 |
| General Business and Public Utility Personal | 14.400000 | 14.400000 | 14.400000 | 14.400000 | 14.400000 |
| Smithfield | | | | | |
| Residential/Agricultural Real | 17.829969 | 17.821652 | 15.795133 | 16.475275 | 15.148654 |
| Commercial/Industrial and Public Utility Real | 20.524535 | 20.524535 | 18.885697 | 20.311059 | 19.859224 |
| General Business and Public Utility Personal | 24.500000 | 24.500000 | 25.300000 | 25.300000 | 26.300000 |
| Stratton | | | | | |
| Residential/Agricultural Real | 5.655471 | 3.155471 | 3.155471 | 3.195994 | 3.195994 |
| Commercial/Industrial and Public Utility Real | 5.982182 | 3.482182 | 3.482182 | 3.482410 | 3.482410 |
| General Business and Public Utility Personal | 6.000000 | 3.500000 | 3.500000 | 3.500000 | 3.500000 |
| Tiltonsville | | | | | |
| Residential/Agricultural Real | 12.988499 | 12.988063 | 9.488063 | 9.787924 | 9.788109 |
| Commercial/Industrial and Public Utility Real | 13.782340 | 13.782340 | 10.282340 | 10.716365 | 10.715742 |
| General Business and Public Utility Personal | 14.700000 | 14.700000 | 11.200000 | 11.200000 | 11.200000 |
| Wintersville | | | | | |
| Residential/Agricultural Real | 6.417374 | 6.419772 | 4.422363 | 4.506932 | 4.509698 |
| Commercial/Industrial and Public Utility Real | 7.164285 | 7.172581 | 5.182093 | 5.392737 | 5.376388 |
| General Business and Public Utility Personal | 8.800000 | 8.800000 | 6.800000 | 6.800000 | 6.800000 |
| Yorkville | | | | | |
| Residential/Agricultural Real | 6.903454 | 5.877091 | 5.877091 | 5.993771 | 5.993965 |
| Commercial/Industrial and Public Utility Real | 7.999468 | 6.900035 | 6.900035 | 6.952037 | 6.914680 |
| General Business and Public Utility Personal | 9.850000 | 8.950000 | 8.950000 | 8.950000 | 8.950000 |

| 2001 | 2000 | 1999 | 1998 | 1997 |
|-----------|-----------|-----------|-----------|-----------|
| 4.403956 | 4.861060 | 4.861374 | 4.857812 | 5.063602 |
| 6.558464 | 6.799732 | 6.800000 | 6.800000 | 6.800000 |
| 6.800000 | 6.800000 | 6.800000 | 6.800000 | 6.800000 |
| 15.870050 | 19.665093 | 19.666037 | 15.666037 | 16.960819 |
| 18.496899 | 20.113538 | 20.113538 | 16.113538 | 16.113538 |
| 26.900000 | 26.900000 | 26.900000 | 22.900000 | 22.900000 |
| 4.863385 | 5.491150 | 5.491150 | 5.491150 | 5.813855 |
| 6.396005 | 6.800010 | 6.800010 | 6.800010 | 6.800010 |
| 7.400000 | 7.400000 | 7.400000 | 7.400000 | 7.400000 |
| 3.815389 | 4.237336 | 4.243882 | 4.243882 | 4.448347 |
| 3.536989 | 3.860608 | 3.860608 | 3.862636 | 3.862636 |
| 5.200000 | 5.200000 | 5.200000 | 5.200000 | 5.200000 |
| 5.901039 | 7.292850 | 7.309901 | 7.311518 | 8.202170 |
| 6.295871 | 7.451306 | 7.451306 | 7.451306 | 7.534460 |
| 14.400000 | 14.400000 | 14.400000 | 14.400000 | 14.400000 |
| 12.720780 | 15.145949 | 15.177128 | 15.585624 | 16.949027 |
| 16.823557 | 18.975459 | 19.114158 | 19.854030 | 19.854030 |
| 23.300000 | 23.300000 | 23.300000 | 24.300000 | 24.300000 |
| 3.195994 | 3.339102 | 3.339102 | 3.339102 | 3.922404 |
| 3.482410 | 3.488080 | 3.488080 | 3.488080 | 3.988070 |
| 3.500000 | 3.500000 | 3.500000 | 3.500000 | 4.000000 |
| 8.066337 | 9.413465 | 9.413465 | 9.413465 | 10.020277 |
| 10.058884 | 10.800104 | 10.800104 | 10.800104 | 10.800104 |
| 11.200000 | 11.200000 | 11.200000 | 11.200000 | 11.200000 |
| 4.512838 | 4.965449 | 6.175287 | 6.171832 | 5.518032 |
| 5.376468 | 5.710686 | 7.435642 | 7.435609 | 7.436580 |
| 6.800000 | 6.800000 | 9.800000 | 9.800000 | 9.800000 |
| 5.987242 | 7.048855 | 7.048986 | 7.048986 | 7.236775 |
| 6.903285 | 9.167496 | 9.167522 | 9.144360 | 9.146390 |
| 8.950000 | 9.450000 | 9.450000 | 9.450000 | 9.450000 |

(Continued)

Jefferson County
Property Tax Rates of Overlapping Governments (Continued)
(per \$1,000 of assessed value)
Last Ten Years

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|-----------|-----------|----------|----------|----------|
| Townships: | | | | | |
| Brush Creek | | | | | |
| Residential/Agricultural Real | 3.294129 | 3.296706 | 3.297334 | 3.371411 | 3.372011 |
| Commercial/Industrial and Public Utility Real | 4.035713 | 4.059333 | 4.059333 | 4.069554 | 4.069554 |
| General Business and Public Utility Personal | 4.200000 | 4.200000 | 4.200000 | 4.200000 | 4.200000 |
| Cross Creek | | | | | |
| Residential/Agricultural Real | 6.774817 | 6.776910 | 4.779309 | 5.005493 | 5.005920 |
| Commercial/Industrial and Public Utility Real | 8.868018 | 8.877464 | 6.888994 | 7.247393 | 7.256469 |
| General Business and Public Utility Personal | 10.900000 | 10.900000 | 8.900000 | 8.900000 | 8.900000 |
| Island Creek | | | | | |
| Residential/Agricultural Real | 5.110159 | 5.112483 | 5.112604 | 5.404175 | 5.404604 |
| Commercial/Industrial and Public Utility Real | 6.711707 | 6.724561 | 6.533672 | 7.446972 | 7.100534 |
| General Business and Public Utility Personal | 8.700000 | 8.700000 | 8.700000 | 8.700000 | 8.700000 |
| Knox | | | | | |
| Residential/Agricultural Real | 5.905708 | 5.910314 | 5.911451 | 6.288104 | 6.295632 |
| Commercial/Industrial and Public Utility Real | 8.171213 | 8.200000 | 8.200000 | 7.882930 | 7.882930 |
| General Business and Public Utility Personal | 8.200000 | 8.200000 | 8.200000 | 8.200000 | 8.200000 |
| Mt. Pleasant | | | | | |
| Residential/Agricultural Real | 4.645247 | 4.648252 | 4.648950 | 4.771848 | 4.773965 |
| Commercial/Industrial and Public Utility Real | 5.156097 | 5.157344 | 5.157344 | 5.224603 | 5.224603 |
| General Business and Public Utility Personal | 6.100000 | 6.100000 | 6.100000 | 6.100000 | 6.100000 |
| Ross | | | | | |
| Residential/Agricultural Real | 3.381879 | 3.383692 | 3.386271 | 3.472671 | 3.475065 |
| Commercial/Industrial and Public Utility Real | 3.636526 | 3.636526 | 3.636526 | 3.651399 | 3.651399 |
| General Business and Public Utility Personal | 3.700000 | 3.700000 | 3.700000 | 3.700000 | 3.700000 |
| Salem | | | | | |
| Residential/Agricultural Real | 3.925344 | 3.927140 | 3.928168 | 4.089510 | 4.093865 |
| Commercial/Industrial and Public Utility Real | 4.507670 | 4.507670 | 4.509539 | 4.629716 | 4.629716 |
| General Business and Public Utility Personal | 6.500000 | 6.500000 | 6.500000 | 6.500000 | 6.500000 |
| Saline | | | | | |
| Residential/Agricultural Real | 3.975624 | 3.984338 | 2.985337 | 3.070164 | 3.071062 |
| Commercial/Industrial and Public Utility Real | 4.682339 | 4.682186 | 3.682186 | 3.686139 | 3.686139 |
| General Business and Public Utility Personal | 4.800000 | 4.800000 | 3.800000 | 3.800000 | 3.800000 |
| Smithfield | | | | | |
| Residential/Agricultural Real | 4.087057 | 4.088041 | 4.088881 | 4.145514 | 4.146367 |
| Commercial/Industrial and Public Utility Real | 4.274095 | 4.279371 | 4.279371 | 4.301617 | 4.304907 |
| General Business and Public Utility Personal | 5.100000 | 5.100000 | 5.100000 | 5.100000 | 5.100000 |
| Springfield | | | | | |
| Residential/Agricultural Real | 5.044502 | 5.063216 | 5.070804 | 5.411124 | 5.422207 |
| Commercial/Industrial and Public Utility Real | 6.837329 | 6.837329 | 6.837329 | 7.133797 | 7.133797 |
| General Business and Public Utility Personal | 8.200000 | 8.200000 | 8.200000 | 8.200000 | 8.200000 |

| 2001 | 2000 | 1999 | 1998 | 1997 |
|----------|----------|----------|----------|----------|
| 3.368485 | 3.047296 | 3.047958 | 3.049220 | 3.090939 |
| 4.069554 | 3.679197 | 3.679197 | 3.647199 | 3.647199 |
| 4.200000 | 3.700000 | 3.700000 | 3.700000 | 3.700000 |
| 4.999855 | 5.471269 | 5.475226 | 5.484913 | 5.759733 |
| 7.250191 | 7.827296 | 7.827296 | 7.826691 | 7.826691 |
| 8.900000 | 8.900000 | 8.900000 | 8.900000 | 8.900000 |
| 5.389061 | 6.149625 | 6.162578 | 6.168450 | 6.537152 |
| 7.038379 | 7.594853 | 7.596227 | 7.598605 | 7.598605 |
| 8.700000 | 8.700000 | 8.700000 | 8.700000 | 8.700000 |
| 4.783390 | 3.808874 | 3.812345 | 3.818035 | 3.939598 |
| 6.382930 | 5.180611 | 5.193491 | 5.193491 | 5.199255 |
| 6.700000 | 5.200000 | 5.200000 | 5.200000 | 5.200000 |
| 4.768766 | 5.022063 | 5.022730 | 5.020993 | 5.194004 |
| 5.224603 | 5.682350 | 5.682350 | 5.682350 | 5.682350 |
| 6.100000 | 6.100000 | 6.100000 | 6.100000 | 6.100000 |
| 3.471566 | 2.700000 | 2.700000 | 2.700000 | 2.700000 |
| 3.651399 | 2.700000 | 2.700000 | 2.700000 | 2.700000 |
| 3.700000 | 2.700000 | 2.700000 | 2.700000 | 2.700000 |
| 4.078587 | 4.483032 | 4.488201 | 4.502064 | 4.732825 |
| 4.604278 | 5.155153 | 5.315515 | 5.155153 | 5.166311 |
| 6.500000 | 6.500000 | 6.500000 | 6.500000 | 6.500000 |
| 3.066888 | 3.331857 | 3.333138 | 3.334895 | 3.462878 |
| 3.684503 | 3.699379 | 3.699379 | 3.699379 | 3.699379 |
| 3.800000 | 3.800000 | 3.800000 | 3.800000 | 3.800000 |
| 4.144066 | 4.237483 | 4.238362 | 4.238727 | 4.303542 |
| 4.304907 | 4.109673 | 4.109673 | 4.109673 | 4.109673 |
| 5.100000 | 5.100000 | 5.100000 | 5.100000 | 5.100000 |
| 5.399442 | 6.448505 | 6.458835 | 6.531444 | 7.006927 |
| 7.232808 | 7.950428 | 7.957123 | 7.958645 | 7.958645 |
| 8.200000 | 8.200000 | 8.200000 | 8.200000 | 8.200000 |

(Continued)

Jefferson County
Property Tax Rates of Overlapping Governments (Continued)
(per \$1,000 of assessed value)
Last Ten Years

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|--|-----------|-----------|-----------|-----------|-----------|
| Steubenville | | | | | |
| Residential/Agricultural Real | 3.208546 | 3.208816 | 3.208816 | 3.336068 | 3.336468 |
| Commercial/Industrial and Public Utility Real | 3.873100 | 3.873100 | 3.873100 | 3.979538 | 3.985230 |
| General Business and Public Utility Personal | 4.100000 | 4.100000 | 4.100000 | 4.100000 | 4.100000 |
| Warren | | | | | |
| Residential/Agricultural Real | 4.000834 | 4.001967 | 4.001794 | 4.076952 | 4.077735 |
| Commercial/Industrial and Public Utility Real | 4.232493 | 4.232754 | 4.232754 | 4.279737 | 4.280503 |
| General Business and Public Utility Personal | 4.800000 | 4.800000 | 4.800000 | 4.800000 | 4.800000 |
| Wayne | | | | | |
| Residential/Agricultural Real | 8.867249 | 8.874290 | 6.405223 | 6.822453 | 6.822381 |
| Commercial/Industrial and Public Utility Real | 11.560773 | 11.560773 | 9.060773 | 9.386038 | 9.386038 |
| General Business and Public Utility Personal | 14.400000 | 14.400000 | 11.900000 | 11.900000 | 11.900000 |
| Wells | | | | | |
| Residential/Agricultural Real | 5.967897 | 5.970366 | 4.721941 | 5.564905 | 4.850000 |
| Commercial/Industrial and Public Utility Real | 7.155077 | 7.155526 | 5.905526 | 6.878123 | 5.926718 |
| General Business and Public Utility Personal | 7.250000 | 7.250000 | 6.000000 | 7.000000 | 6.000000 |
| Colleges: | | | | | |
| Jefferson Community College | | | | | |
| Residential/Agricultural Real | 0.665268 | 0.665867 | 0.666231 | 0.715538 | 0.715879 |
| Commercial/Industrial and Public Utility Real | 0.896311 | 0.896408 | 0.894993 | 0.951405 | 0.948921 |
| General Business and Public Utility Personal | 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| Special Districts: | | | | | |
| Eastern Ohio Regional Transit Authority | | | | | |
| Residential/Agricultural Real | 2.000000 | 1.045354 | 1.044463 | 1.112020 | 1.110885 |
| Commercial/Industrial and Public Utility Real | 2.000000 | 1.137210 | 1.135063 | 1.170577 | 1.160539 |
| General Business and Public Utility Personal | 2.000000 | 1.500000 | 1.500000 | 1.500000 | 1.500000 |
| Steel Valley Regional Transit Authority | | | | | |
| Residential/Agricultural Real | 1.499730 | 0.704166 | 0.704134 | 0.718446 | 0.718107 |
| Commercial/Industrial and Public Utility Real | 1.500000 | 0.880523 | 0.880654 | 0.962919 | 0.962521 |
| General Business and Public Utility Personal | 1.500000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| TEMS Ambulance | | | | | |
| Residential/Agricultural Real | 1.396120 | 1.396893 | 1.397104 | 1.498830 | 0.000000 |
| Commercial/Industrial and Public Utility Real | 1.479997 | 1.480188 | 1.480173 | 1.499893 | 0.000000 |
| General Business and Public Utility Personal | 1.500000 | 1.500000 | 1.500000 | 1.500000 | 0.000000 |
| Warren Township Park | | | | | |
| Residential/Agricultural Real | 1.504479 | 1.505718 | 1.505518 | 0.624098 | 0.624442 |
| Commercial/Industrial and Public Utility Real | 1.646936 | 1.647010 | 1.647010 | 0.692154 | 0.687212 |
| General Business and Public Utility Personal | 2.000000 | 2.000000 | 2.000000 | 1.000000 | 1.000000 |
| Belvedere Fire | | | | | |
| Residential/Agricultural Real | 3.455670 | 3.456206 | 3.466618 | 3.874396 | 3.879515 |
| Commercial/Industrial and Public Utility Real | 3.129662 | 3.129662 | 3.129662 | 3.462573 | 3.462573 |
| General Business and Public Utility Personal | 7.500000 | 7.500000 | 7.500000 | 7.500000 | 7.500000 |

| 2001 | 2000 | 1999 | 1998 | 1997 |
|-----------|-----------|-----------|-----------|-----------|
| 3.330168 | 3.534068 | 3.536362 | 3.535596 | 3.675720 |
| 3.980474 | 4.100000 | 4.100000 | 4.100000 | 4.100000 |
| 4.100000 | 4.100000 | 4.100000 | 4.100000 | 4.100000 |
| 4.076289 | 4.250404 | 4.255336 | 4.910003 | 5.081592 |
| 4.275354 | 4.569120 | 4.570590 | 5.526224 | 5.526565 |
| 4.800000 | 4.800000 | 4.800000 | 5.800000 | 5.800000 |
| 7.079405 | 7.911868 | 7.921052 | 7.931129 | 8.502860 |
| 9.386038 | 10.338545 | 9.828556 | 9.853413 | 9.860283 |
| 11.900000 | 11.900000 | 11.900000 | 11.900000 | 11.900000 |
| 4.844231 | 5.236977 | 5.242325 | 5.247966 | 5.447805 |
| 5.929182 | 6.000000 | 6.000000 | 6.000000 | 6.000000 |
| 6.000000 | 6.000000 | 6.000000 | 6.000000 | 6.000000 |
| 0.712768 | 0.901411 | 0.902941 | 0.904498 | 0.999541 |
| 0.947063 | 1.000000 | 0.999670 | 1.000000 | 1.000000 |
| 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| 1.108104 | 1.299603 | 1.299796 | 1.299001 | 1.384870 |
| 1.149508 | 1.409985 | 1.410498 | 1.396519 | 1.402636 |
| 1.500000 | 1.500000 | 1.500000 | 1.500000 | 1.500000 |
| 0.714219 | 0.906422 | 0.902941 | 0.907540 | 0.999336 |
| 0.959774 | 1.000000 | 0.999670 | 1.000000 | 1.000000 |
| 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.000000 | 0.000000 | 0.000000 | 0.000000 | 0.000000 |
| 0.622889 | 0.770572 | 0.772659 | 0.772937 | 0.848563 |
| 0.685128 | 0.969499 | 0.969638 | 0.966161 | 0.966435 |
| 1.000000 | 1.000000 | 1.000000 | 1.000000 | 1.000000 |
| 3.848926 | 5.106057 | 5.112979 | 5.115880 | 5.667914 |
| 3.462573 | 5.206134 | 5.206137 | 5.206134 | 5.206134 |
| 7.500000 | 7.500000 | 7.500000 | 7.500000 | 7.500000 |

(Continued)

Jefferson County
Property Tax Rates of Overlapping Governments (Continued)
(per \$1,000 of assessed value)
Last Ten Years

| | 2006 | 2005 | 2004 | 2003 | 2002 |
|---|-----------|-----------|-----------|-----------|-----------|
| Joint Vocational School Districts: | | | | | |
| Jefferson County JVS | | | | | |
| Residential/Agricultural Real | 1.50000 | 1.50000 | 1.50000 | 1.50000 | 1.50000 |
| Commercial/Industrial and Public Utility Real | 1.50000 | 1.50000 | 1.50000 | 1.50000 | 1.50000 |
| General Business and Public Utility Personal | 1.50000 | 1.50000 | 1.50000 | 1.50000 | 1.50000 |
| Belmont-Harrison Career Center | | | | | |
| Residential/Agricultural Real | 1.50000 | 1.45000 | 1.45000 | 1.45000 | 1.45000 |
| Commercial/Industrial and Public Utility Real | 1.50000 | 1.45000 | 1.45000 | 1.45000 | 1.45000 |
| General Business and Public Utility Personal | 1.50000 | 1.45000 | 1.45000 | 1.45000 | 1.45000 |
| Columbiana County JVS | | | | | |
| Residential/Agricultural Real | 2.00000 | 2.00000 | 2.005752 | 2.003400 | 2.000000 |
| Commercial/Industrial and Public Utility Real | 2.017806 | 2.000000 | 2.019917 | 2.018797 | 2.020160 |
| General Business and Public Utility Personal | 2.800000 | 2.800000 | 2.800000 | 2.800000 | 2.800000 |
| School Districts: | | | | | |
| Buckeye Local | | | | | |
| Residential/Agricultural Real | 22.900011 | 22.900011 | 22.900005 | 23.100009 | 23.060204 |
| Commercial/Industrial and Public Utility Real | 25.821503 | 25.833183 | 25.808799 | 26.359866 | 26.226111 |
| General Business and Public Utility Personal | 30.400000 | 30.400000 | 30.400000 | 30.600000 | 30.500000 |
| Edison Local | | | | | |
| Residential/Agricultural Real | 22.300014 | 22.800018 | 22.800009 | 22.833207 | 22.863595 |
| Commercial/Industrial and Public Utility Real | 23.242354 | 23.752560 | 23.753387 | 24.000480 | 23.830238 |
| General Business and Public Utility Personal | 29.900000 | 30.400000 | 30.400000 | 30.400000 | 30.400000 |
| Harrison Hills City | | | | | |
| Residential/Agricultural Real | 21.694215 | 21.993375 | 21.999375 | 22.004996 | 23.170028 |
| Commercial/Industrial and Public Utility Real | 24.942389 | 26.379508 | 26.378926 | 26.453550 | 27.405190 |
| General Business and Public Utility Personal | 37.750000 | 37.750000 | 37.750000 | 37.750000 | 37.750000 |
| Indian Creek Local | | | | | |
| Residential/Agricultural Real | 20.401021 | 20.407569 | 20.422097 | 21.551426 | 21.557502 |
| Commercial/Industrial and Public Utility Real | 28.920588 | 28.944273 | 28.845864 | 31.088357 | 31.070822 |
| General Business and Public Utility Personal | 39.100000 | 39.100000 | 39.100000 | 39.100000 | 39.100000 |
| Southern Local | | | | | |
| Residential/Agricultural Real | 23.903669 | 24.114378 | 24.255830 | 24.255000 | 24.247843 |
| Commercial/Industrial and Public Utility Real | 30.631804 | 30.802116 | 30.758355 | 30.761010 | 30.761010 |
| General Business and Public Utility Personal | 39.840000 | 40.050000 | 40.050000 | 40.050000 | 40.050000 |
| Steubenville City | | | | | |
| Residential/Agricultural Real | 26.594707 | 26.595198 | 26.591728 | 27.288540 | 27.778386 |
| Commercial/Industrial and Public Utility Real | 30.160021 | 30.130346 | 30.135427 | 32.627012 | 33.117429 |
| General Business and Public Utility Personal | 35.350000 | 35.350000 | 35.350000 | 35.950000 | 36.450000 |
| Toronto City | | | | | |
| Residential/Agricultural Real | 21.265708 | 20.000018 | 20.000024 | 20.001710 | 20.003080 |
| Commercial/Industrial and Public Utility Real | 33.176080 | 32.356545 | 32.356545 | 34.282570 | 34.284747 |
| General Business and Public Utility Personal | 37.650000 | 37.650000 | 37.650000 | 37.650000 | 37.650000 |

The rates presented for a particular calendar year are the rates that, when applied to the assessed values, generated the property tax revenue billed in that year.

The basic property tax rates may be increased only by a majority vote of the residents.

Overlapping rates are those of local and county governments that apply to property owners within the County.

Real property tax rates are reduced so that inflationary increases in value do not generate additional taxes. Real property is reappraised every six years and property values are updated in the third year following each reappraisal.

Source : Jefferson County Auditor

| 2001 | 2000 | 1999 | 1998 | 1997 |
|-----------|-----------|-----------|-----------|-----------|
| 1.500000 | 1.500000 | 1.500000 | 1.500000 | 1.500000 |
| 1.500000 | 1.500000 | 1.500000 | 1.500000 | 1.500000 |
| 1.500000 | 1.500000 | 1.500000 | 1.500000 | 1.500000 |
| 1.450000 | 1.939213 | 1.940337 | 1.940378 | 1.944155 |
| 1.450000 | 1.941255 | 1.941559 | 1.941343 | 1.941948 |
| 1.450000 | 1.950000 | 1.950000 | 1.950000 | 1.950000 |
| 2.004679 | 2.000000 | 2.524954 | 2.631283 | 2.637240 |
| 2.018329 | 2.000000 | 2.644017 | 2.753347 | 2.746800 |
| 2.800000 | 2.800000 | 3.550000 | 3.550000 | 3.550000 |
| 23.000014 | 23.850018 | 23.850005 | 23.850007 | 23.850009 |
| 26.199819 | 29.410201 | 29.413128 | 29.398512 | 28.824061 |
| 30.500000 | 31.350000 | 31.350000 | 31.350000 | 31.350000 |
| 22.800019 | 22.900011 | 22.900018 | 22.900020 | 22.900016 |
| 23.816835 | 24.454590 | 24.461428 | 24.463053 | 24.453453 |
| 30.400000 | 30.500000 | 30.500000 | 30.500000 | 30.500000 |
| 23.140362 | 23.135598 | 25.943447 | 26.088326 | 26.080919 |
| 27.393116 | 27.382258 | 28.635441 | 28.639378 | 28.389283 |
| 37.750000 | 37.750000 | 37.750000 | 37.750000 | 37.750000 |
| 21.505107 | 25.676743 | 25.715987 | 25.737767 | 27.890085 |
| 30.982842 | 32.743638 | 32.692856 | 32.696810 | 32.691921 |
| 39.310000 | 39.100000 | 39.100000 | 39.100000 | 39.100000 |
| 26.201972 | 26.265877 | 26.178309 | 32.053975 | 32.138108 |
| 30.748596 | 35.342533 | 35.333767 | 36.104415 | 36.232262 |
| 40.050000 | 45.900000 | 45.900000 | 45.900000 | 45.900000 |
| 27.700012 | 28.051490 | 25.950015 | 25.950006 | 25.966857 |
| 33.066311 | 34.699264 | 32.543067 | 32.568326 | 32.552745 |
| 36.450000 | 36.800000 | 34.700000 | 34.700000 | 34.700000 |
| 20.000020 | 23.182291 | 29.582521 | 29.586588 | 31.416295 |
| 34.284747 | 37.641777 | 44.041777 | 44.047010 | 44.050000 |
| 37.650000 | 37.650000 | 44.050000 | 44.500000 | 44.050000 |

Jefferson County
Property Tax Levies and Collections (1)
Real and Public Utilities Taxes
Last Ten Years

| Collection Year | Current Tax Levy | Current Tax Collections | Percent of Current Tax Collections to Current Tax Levy | Delinquent Tax Collections (2) | Total Tax Collections | Percent of Total Tax Collections to Current Tax Levy |
|-----------------|------------------|-------------------------|--|--------------------------------|-----------------------|--|
| 2006 | \$44,979,938 | \$43,347,396 | 96.37% | \$1,755,978 | \$45,103,374 | 100.27% |
| 2005 | 44,167,378 | 42,631,364 | 96.52% | 1,621,967 | 44,253,331 | 100.19% |
| 2004 | 41,859,781 | 40,532,707 | 96.83% | 1,958,302 | 42,491,009 | 101.51% |
| 2003 | 40,165,455 | 38,832,118 | 96.68% | 1,591,492 | 40,423,610 | 100.64% |
| 2002 | 39,037,712 | 37,807,239 | 96.85% | 1,663,993 | 39,471,232 | 101.11% |
| 2001 | 49,139,104 | 47,833,872 | 97.34% | 1,354,347 | 49,188,219 | 100.10% |
| 2000 | 45,115,236 | 45,115,236 | 100.00% | 1,231,287 | 46,346,523 | 102.73% |
| 1999 | 46,785,513 | 45,667,358 | 97.61% | 1,389,985 | 47,057,343 | 100.58% |
| 1998 | 46,574,714 | 45,368,028 | 97.41% | 795,031 | 46,163,059 | 99.12% |
| 1997 | 45,096,566 | 43,988,978 | 97.54% | 1,099,851 | 45,088,829 | 99.98% |

(1) Includes Homestead/Rollback taxes assessed locally, but distributed through the State and reported as Intergovernmental revenue.

(2) The County does not identify delinquent tax collections by tax year.

Source: *Jefferson County Auditor*

Jefferson County
Property Tax Levies and Collections
Tangible Personal Property Taxes
Last Ten Years

| Collection Year | Current Tax Levy | Current Tax Collections | Percent of Current Tax Collections to Current Tax Levy | Delinquent Tax Collections (1) | Total Tax Collections | Percent of Total Tax Collections to Current Tax Levy |
|--------------------|------------------------|----------------------------|--|--------------------------------------|--------------------------|---|
| 2006 | \$6,467,055 | \$6,376,911 | 98.61% | \$277,480 | \$6,654,391 | 102.90% |
| 2005 | 8,138,456 | 7,871,861 | 96.72% | 98,926 | 7,970,787 | 97.94% |
| 2004 | 7,231,448 | 7,071,014 | 97.78% | 34,936 | 7,105,950 | 98.26% |
| 2003 | 8,072,306 | 7,957,062 | 98.57% | 70,469 | 8,027,531 | 99.45% |
| 2002 | 5,816,268 | 5,657,258 | 97.27% | 110,825 | 5,768,083 | 99.17% |
| 2001 | 6,312,008 | 6,179,833 | 97.91% | 97,644 | 6,277,477 | 99.45% |
| 2000 | 9,315,459 | 8,443,478 | 90.64% | 569,201 | 9,012,679 | 96.75% |
| 1999 | 8,949,296 | 7,899,617 | 88.27% | 113,128 | 8,012,745 | 89.53% |
| 1998 | 7,927,285 | 7,123,769 | 89.86% | 103,250 | 7,227,019 | 91.17% |
| 1997 | 9,588,398 | 7,129,079 | 74.35% | 38,649 | 7,167,728 | 74.75% |

(1) The County does not identify delinquent tax collections by tax year.

Source: Jefferson County Auditor

Jefferson County

Principal Taxpayers

Real Estate Tax

2006 and 2003 (1)

| Name of Taxpayer | 2006 | |
|----------------------------------|----------------------|---|
| | Assessed Value | Percent of Real Property Assessed Value |
| Fort Steuben Improvements | \$12,726,650 | 1.60% |
| Wheeling Pittsburgh Steel | 7,403,170 | 0.93% |
| WalMart Store East LLP | 4,735,850 | 0.60% |
| Hollywood Center Inc. | 3,203,090 | 0.40% |
| Cal-Steuben Limited | 2,325,930 | 0.29% |
| Anothony Mining Company Inc. | 2,125,490 | 0.27% |
| Carriage Inn of Steuenville Inc. | 1,944,650 | 0.25% |
| Mary Schiappa trust | 1,689,140 | 0.21% |
| Derek Ferguson | 1,629,410 | 0.21% |
| L Steubenville LLC | 1,589,810 | 0.20% |
| Totals | <u>\$39,373,190</u> | <u>4.96%</u> |
| Total Assessed Valuation | <u>\$793,144,690</u> | |

| Name of Taxpayer | 2003 (2) | |
|------------------------------|----------------------|---|
| | Assessed Value | Percent of Real Property Assessed Value |
| Fort Steuben Mall, Inc. | \$9,927,280 | 1.39% |
| WalMart Store East LLP | 9,026,570 | 1.26% |
| Wheeling Pittsburgh Steel | 7,578,980 | 1.06% |
| Tri-State Plaza Partnership | 3,008,010 | 0.42% |
| Hollywood Center Inc. | 2,675,470 | 0.37% |
| L Steubenville LLC | 2,143,650 | 0.30% |
| Anothony Mining Company Inc. | 2,111,040 | 0.29% |
| Totals | <u>\$36,471,000</u> | <u>5.09%</u> |
| Total Assessed Valuation | <u>\$716,134,750</u> | |

(1) The amounts presented represent the assessed values upon which 2006 and 2003 collections were based. Information prior to 2003 not available.

(2) Only seven of the top taxpayers for 2003 were available.

Source : Jefferson County Auditor

Jefferson County
Principal Taxpayers
Tangible Personal Property Tax
2006 and 2003 (1)

| Name of Taxpayer | 2006 | |
|---------------------------------|----------------------|--|
| | Assessed Value | Percent of Tangible Personal Property Assessed Value |
| Wheeling Pittsburgh Steel | \$38,507,150 | 37.70% |
| Titanium Metals Corporation | 18,221,260 | 17.84% |
| Herman Strauss Inc. | 5,904,990 | 5.78% |
| Boeing Company | 1,868,240 | 1.83% |
| Walmart Stores East LLP | 1,636,060 | 1.60% |
| Shelley & Sands | 1,521,920 | 1.49% |
| Denoon | 1,400,430 | 1.37% |
| Inergy Propane Inc. | 1,252,250 | 1.23% |
| Lowes Home Centers | 1,187,150 | 1.16% |
| Tube City | 1,138,760 | 1.11% |
| Total | \$72,638,210 | 71.11% |
| Total Assessed Valuation | \$102,147,765 | |

| Name of Taxpayer | 2003 | |
|---------------------------------|----------------------|--|
| | Assessed Value | Percent of Tangible Personal Property Assessed Value |
| Wheeling Pittsburgh Steel | \$36,918,750 | 31.08% |
| Titanium Metals Corporation | 23,441,220 | 19.73% |
| Midwest Electical Supply | 9,421,460 | 7.93% |
| Boeing Company | 2,325,770 | 1.96% |
| Lowes Home Centers | 1,549,250 | 1.30% |
| Shelley & Sands | 1,354,920 | 1.14% |
| Bulldog Distributing | 1,321,160 | 1.11% |
| Walmart Stores East LLP | 1,279,370 | 1.08% |
| Denoon | 1,213,880 | 1.02% |
| Valley Paper Converting | 1,155,720 | 0.97% |
| Total | \$79,981,500 | 67.32% |
| Total Assessed Valuation | \$118,801,812 | |

(1) The amounts presented represent the assessed values upon which 2006 and 2003 collections were based. Information prior to 2003 is not available.

Source: Jefferson County Auditor

Jefferson County
Principal Taxpayers
Public Utilities Tangible Personal Property Tax
2006 and 2003 (1)

| Name of Taxpayer | 2006 | |
|-------------------------------------|----------------------|--|
| | Assessed Value | Percent of Public Utility Assessed Value |
| Ohio Power Company | \$62,496,860 | 28.17% |
| Ohio Edison Company | 59,966,900 | 27.03% |
| Buckeye Power Inc. | 45,833,240 | 20.66% |
| First Energy Generation Corp. | 16,317,720 | 7.36% |
| Cleveland Electric Illuminating Co. | 9,382,650 | 4.23% |
| American Transmission Systems Inc. | 5,008,600 | 2.26% |
| Ohio Bell Telephone Company | 4,923,030 | 2.22% |
| Pennsylvania Power Company | 4,263,230 | 1.92% |
| Norfolk Southern Combined Railroad | 3,452,000 | 1.56% |
| Columbia Gas of Ohio Inc. | 2,861,710 | 1.29% |
| Total | \$214,505,940 | 96.69% |
| Total Assessed Valuation | \$221,851,440 | |

| Name of Taxpayer | 2003 | |
|------------------------------------|----------------------|--|
| | Assessed Value | Percent of Public Utility Assessed Value |
| Ohio Edison Company | 60,471,780 | 29.16% |
| Ohio Power Company | 53,327,180 | 25.71% |
| Buckeye Power Inc. | 45,151,310 | 21.77% |
| Cleveland Electric | 10,471,970 | 5.05% |
| First Energy Generation Corp. | 7,451,880 | 3.59% |
| Ohio Bell Telephone Company | 6,535,080 | 3.15% |
| American Transmission Systems Inc. | 5,733,400 | 2.76% |
| Pennsylvania Power Company | 4,299,540 | 2.07% |
| Verizon North Inc. | 3,652,720 | 1.76% |
| Norfolk Southern Combined Railroad | 3,219,490 | 1.55% |
| Total | \$200,314,350 | 96.59% |
| Total Assessed Valuation | \$207,383,520 | |

(1) The amounts presented represent the assessed values upon which 2006 and 2003 collections were based. Information prior to 2003 is not available.

Source : Jefferson County Auditor

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Jefferson County
Ratios of Outstanding Debt
Last Ten Years

| Year | Governmental Activities | | | | | | Business Type Activities | |
|------|--------------------------------|-------------------------------|--------------------------------------|--------------|-------------------|-------------|------------------------------|--------------------------------|
| | General Obligation Bonds | Long-Term Notes Payable | State Infrastructure Bank Loan | OPWC Loan | Capital Leases | SBC Loan | Mortgage Revenue Bonds | General Obligation Bonds |
| 2006 | \$25,155,086 | \$1,688,920 | \$108,915 | \$42,268 | \$530,874 | \$104,790 | \$0 | \$3,624,962 |
| 2005 | 26,590,257 | 1,992,466 | 160,033 | 48,770 | 100,744 | 157,846 | 0 | 3,720,537 |
| 2004 | 27,959,541 | 508,595 | 209,045 | 55,272 | 47,022 | 208,194 | 61,000 | 3,816,112 |
| 2003 | 24,881,495 | 783,160 | 256,039 | 61,774 | 87,425 | 255,972 | 132,000 | 0 |
| 2002 | 26,252,252 | 1,047,131 | 301,098 | 68,276 | 93,776 | 0 | 201,000 | 0 |
| 2001 | 27,087,219 | 986,949 | 0 | 74,778 | 101,276 | 0 | 264,000 | 0 |
| 2000 | 28,582,219 | 0 | 0 | 81,281 | 0 | 0 | 339,000 | 0 |
| 1999 | 29,842,219 | 0 | 0 | 87,783 | 0 | 0 | 412,000 | 0 |
| 1998 | 30,902,219 | 0 | 0 | 94,285 | 2,009 | 0 | 483,000 | 0 |
| 1997 | 16,475,000 | 0 | 0 | 100,787 | 5,321 | 0 | 552,000 | 0 |

(1) Personal Income not available for 2006, Used 2005 income.

Source: *Jefferson County Auditor's Office*
Bureau of Economic Analysis
US Census Bureau

| Business Type Activities | | | | | | | | |
|--------------------------|--------------------------|-----------------------------|-------------------------------|-------------------|--------------------------------|--|---|---------------|
| OWDA Loans Payable | OPWC Loans Payable | Ohio EPA Loan Payable | Long-Term Notes Payable | Capital Leases | Total Primary Government | Ratio of Net Debt to Estimated Actual Value | Percentage of Personal Income (1) | Per Capita |
| \$3,695,803 | \$823,979 | \$6,856,377 | \$0 | \$0 | \$42,631,974 | 1.24% | 2.28% | \$608 |
| 4,223,192 | 658,046 | 6,766,433 | 0 | 0 | 44,418,324 | 1.30% | 2.38% | 629 |
| 4,720,975 | 727,425 | 105,882 | 750,000 | 0 | 39,169,063 | 1.19% | 2.16% | 550 |
| 5,190,932 | 753,104 | 0 | 750,000 | 0 | 33,151,901 | 1.06% | 1.90% | 462 |
| 5,634,732 | 854,483 | 0 | 0 | 0 | 34,452,748 | 1.14% | 2.01% | 477 |
| 6,053,935 | 915,862 | 0 | 0 | 55,880 | 35,539,899 | 0.98% | 2.14% | 487 |
| 6,450,007 | 711,568 | 0 | 0 | 0 | 36,164,075 | 1.06% | 2.22% | 491 |
| 6,824,322 | 757,518 | 0 | 0 | 0 | 37,923,842 | 1.12% | 2.43% | 509 |
| 7,178,167 | 681,350 | 0 | 0 | 0 | 39,341,030 | 1.17% | 2.55% | 522 |
| 8,356,781 | 690,250 | 0 | 0 | 0 | 26,180,139 | 0.79% | 1.83% | 341 |

Jefferson County
Ratio of General Bonded Debt (1)
to Assessed Value and Debt per Capita
Last Ten Years

| Year | Population | Estimated Actual Value of Taxable Property | General Bonded Debt | | | | |
|------|------------|--|---------------------------------------|--|----------------------------|---|-------------------------------------|
| | | | General Bonded Debt Outstanding | Resources Available to Pay Principal | Net General Bonded Debt | Ratio of Net Bonded Debt to Estimated Actual Value | Net Bonded Debt per Capita |
| 2006 | 70,125 | \$3,444,777,076 | \$25,155,086 | \$0 | \$25,155,086 | 0.73% | \$359 |
| 2005 | 70,599 | 3,412,022,394 | 26,590,257 | 0 | 26,590,257 | 0.78% | 377 |
| 2004 | 71,420 | 3,296,926,616 | 27,959,541 | 0 | 27,959,541 | 0.85% | 391 |
| 2003 | 71,888 | 3,113,830,877 | 24,881,495 | 0 | 24,881,495 | 0.80% | 346 |
| 2002 | 72,402 | 3,015,550,657 | 26,252,252 | 0 | 26,252,252 | 0.87% | 363 |
| 2001 | 72,855 | 3,642,040,633 | 27,087,219 | 0 | 27,087,219 | 0.74% | 372 |
| 2000 | 73,894 | 3,420,785,338 | 28,582,219 | 0 | 28,582,219 | 0.84% | 387 |
| 1999 | 73,662 | 3,379,047,787 | 29,842,219 | 0 | 29,842,219 | 0.88% | 405 |
| 1998 | 74,558 | 3,358,724,624 | 30,902,219 | 0 | 30,902,219 | 0.92% | 414 |
| 1997 | 76,014 | 3,315,859,982 | 16,475,000 | 0 | 16,475,000 | 0.50% | 217 |

(1) General Obligation Bonds only.

Sources: Jefferson County Auditor's Office
 US Census Bureau

Jefferson County
*Computation of Direct and Overlapping
Debt Attributable to Governmental Activities
December 31, 2006*

| Political Subdivision | Debt Outstanding | Percentage Applicable to County (1) | Amount of Direct and Overlapping Debt |
|--|---------------------|---|--|
| Jefferson County | \$27,630,853 | 100.00% | \$27,630,853 |
| Overlapping: | | | |
| School Districts Wholly whithin County | 7,467,934 | 100.00% | 7,467,934 |
| Buckeye Local School District | 3,043,373 | 90.37% | 2,750,296 |
| Edison Local School District | 571,000 | 98.53% | 562,606 |
| Joint Vocational School District | 178,000 | 97.46% | 173,479 |
| Southern Local School District | 2,694,999 | 1.22% | 32,879 |
| Total Overlapping Debt | <u>13,955,306</u> | | <u>10,987,194</u> |
| Total Applicable to Jefferson County | <u>\$41,586,159</u> | | <u>\$38,618,047</u> |

(1) 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 subdivision. The valuations used were for the 2006 collection year.

Source: Jefferson County Auditors Office

Jefferson County
Computation of Legal Debt Margin
Last Ten Years

| | 2006 | 2005 | 2004 | 2003 |
|---|------------------------|------------------------|------------------------|------------------------|
| Tax Valuation | <u>\$1,117,143,895</u> | <u>\$1,139,847,990</u> | <u>\$1,104,721,237</u> | <u>\$1,042,320,082</u> |
| Debt Limit (1) | <u>26,428,597</u> | <u>26,996,200</u> | <u>26,118,031</u> | <u>24,558,002</u> |
| Total Outstanding Debt: | | | | |
| General Obligation Bonds | 27,049,048 | 28,427,219 | 30,232,219 | 23,907,219 |
| Revenue Bond | 0 | 0 | 61,000 | 132,000 |
| OWDA Loans | 3,695,803 | 4,223,192 | 4,720,975 | 5,190,932 |
| OPWC Loans | 866,247 | 706,816 | 782,697 | 814,878 |
| OEPA Loans | 6,856,377 | 6,766,433 | 105,882 | 0 |
| Notes and SIB Loan | <u>2,547,835</u> | <u>3,496,841</u> | <u>1,467,640</u> | <u>11,301,657</u> |
| Total | <u>41,015,310</u> | <u>43,620,501</u> | <u>37,370,413</u> | <u>41,346,686</u> |
| Exemptions: | | | | |
| General Obligation Bonds | 23,229,048 | 24,207,219 | 29,312,219 | 22,702,219 |
| Revenue Bond | 0 | 0 | 61,000 | 132,000 |
| OWDA Loans | 3,675,803 | 4,223,192 | 4,720,975 | 5,190,932 |
| OPWC Loans | 866,247 | 706,816 | 782,697 | 814,878 |
| OEPA Loans | 6,856,377 | 6,766,433 | 105,882 | 0 |
| Notes | 750,000 | 844,342 | 750,000 | 10,262,458 |
| Amount Available in Debt Service Fund | <u>2,271,789</u> | <u>2,021,574</u> | <u>1,811,204</u> | <u>2,017,073</u> |
| Total | <u>37,649,264</u> | <u>38,769,576</u> | <u>37,543,977</u> | <u>41,119,560</u> |
| Amount of Debt Subject to Limit | <u>3,366,046</u> | <u>4,850,925</u> | <u>(173,564)</u> | <u>227,126</u> |
| Legal Debt Margin | <u>\$23,062,551</u> | <u>\$22,145,275</u> | <u>\$26,118,031</u> | <u>\$24,330,876</u> |
| Legal Debt Margin as a Percentage of the Debt Limit | 87.26% | 82.03% | 100.00% | 99.08% |
| Unvoted Debt Limit (2) | \$11,171,439 | \$11,398,480 | \$11,047,212 | \$10,423,201 |
| Less: | | | | |
| Amount of Debt Subject to Limit | <u>3,366,046</u> | <u>4,850,925</u> | <u>(173,564)</u> | <u>227,126</u> |
| Unvoted Legal Debt Margin | <u>\$7,805,393</u> | <u>\$6,547,555</u> | <u>\$11,047,212</u> | <u>\$10,196,075</u> |
| Unvoted Legal Debt Margin as a Percentage of the Unvoted Debt Limit | 69.87% | 57.44% | 100.00% | 97.82% |

(1) Ohio Bond Law sets a limit calculated as follows:
 Three percent of the first \$100,000,000 of the tax valuation
 One and one-half percent of the next \$200,000,000 of the tax valuation
 Two and one-half percent of the amount of the tax valuation in excess of \$300,000,000

(2) Ohio Bond Law sets a limit of one percent of the tax valuation

Source: Jefferson County Auditor

| 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <u>\$1,014,866,470</u> | <u>\$1,230,680,924</u> | <u>\$1,138,402,406</u> | <u>\$1,128,148,201</u> | <u>\$1,121,386,576</u> | <u>\$1,098,579,304</u> |
| <u>23,871,662</u> | <u>29,267,023</u> | <u>26,960,060</u> | <u>26,703,705</u> | <u>26,534,664</u> | <u>25,964,483</u> |
| 25,527,219 | 27,087,219 | 28,582,219 | 29,842,219 | 30,902,219 | 16,475,000 |
| 201,000 | 264,000 | 339,000 | 412,000 | 483,000 | 552,000 |
| 5,634,732 | 6,053,933 | 6,450,007 | 6,824,322 | 7,178,168 | 8,356,781 |
| 922,759 | 990,640 | 792,849 | 845,301 | 775,633 | 791,036 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| <u>10,864,744</u> | <u>12,021,816</u> | <u>10,863,182</u> | <u>8,975,374</u> | <u>10,229,329</u> | <u>10,262,313</u> |
| <u>43,150,454</u> | <u>46,417,608</u> | <u>47,027,257</u> | <u>46,899,216</u> | <u>49,568,349</u> | <u>36,437,130</u> |
| 24,047,219 | 25,347,219 | 26,592,219 | 27,607,219 | 28,432,219 | 16,475,000 |
| 201,000 | 264,000 | 339,000 | 412,000 | 483,000 | 552,000 |
| 5,634,732 | 6,053,933 | 6,450,007 | 6,824,322 | 7,187,168 | 8,356,781 |
| 922,759 | 990,640 | 792,849 | 845,301 | 775,633 | 791,036 |
| 0 | 0 | 0 | 0 | 0 | 0 |
| 9,516,517 | 10,340,595 | 9,885,632 | 8,163,690 | 9,301,252 | 6,436,804 |
| <u>2,311,876</u> | <u>1,935,010</u> | <u>1,306,301</u> | <u>1,430,851</u> | <u>1,197,938</u> | <u>1,581,075</u> |
| <u>42,634,103</u> | <u>44,931,397</u> | <u>45,366,008</u> | <u>45,283,383</u> | <u>47,377,210</u> | <u>34,192,696</u> |
| <u>516,351</u> | <u>1,486,211</u> | <u>1,661,249</u> | <u>1,615,833</u> | <u>2,191,139</u> | <u>2,244,434</u> |
| <u>\$23,355,311</u> | <u>\$27,780,812</u> | <u>\$25,298,811</u> | <u>\$25,087,872</u> | <u>\$24,343,525</u> | <u>\$23,720,049</u> |
| 97.84% | 94.92% | 93.84% | 93.95% | 91.74% | 91.36% |
| <u>\$10,148,665</u> | <u>\$12,306,809</u> | <u>\$11,384,024</u> | <u>\$11,281,482</u> | <u>\$11,213,866</u> | <u>\$10,985,793</u> |
| <u>516,351</u> | <u>1,486,211</u> | <u>1,661,249</u> | <u>1,615,833</u> | <u>2,191,139</u> | <u>2,244,434</u> |
| <u>\$9,632,314</u> | <u>\$10,820,598</u> | <u>\$9,722,775</u> | <u>\$9,665,649</u> | <u>\$9,022,727</u> | <u>\$8,741,359</u> |
| 94.91% | 87.92% | 85.41% | 85.68% | 80.46% | 79.57% |

Jefferson County
Pledged Revenue Coverage - Water Fund
Last Ten Years

| OWDA Loans Water | | | | | | |
|------------------|---------------------------|------------------------------|-----------------------|------------------|----------|----------|
| Year | Water Service Charges (1) | Less: Operating Expenses (2) | Net Available Revenue | Debt Service (3) | | Coverage |
| | | | | Principal | Interest | |
| 2006 (4) | N/A | N/A | N/A | N/A | N/A | N/A |
| 2005 | \$5,001,874 | \$2,866,924 | \$2,134,950 | \$61,000 | \$1,281 | 34.28 |
| 2004 | 4,773,778 | 3,101,615 | 1,672,163 | 71,000 | 4,053 | 22.28 |
| 2003 | 4,198,098 | 2,752,511 | 1,445,587 | 69,000 | 6,993 | 19.02 |
| 2002 | 3,820,188 | 2,708,552 | 1,111,636 | 63,000 | 9,765 | 15.28 |
| 2001 | 3,037,379 | 2,600,027 | 437,352 | 60,000 | 12,348 | 6.05 |
| 2000 | 3,152,461 | 2,525,840 | 626,621 | 58,000 | 14,826 | 8.60 |
| 1999 | 3,077,663 | 2,202,212 | 875,451 | 56,000 | 17,220 | 11.96 |
| 1998 | 2,915,440 | 2,348,500 | 566,940 | 54,000 | 19,530 | 7.71 |
| 1997 | 2,579,262 | 1,702,331 | 876,931 | 51,000 | 21,720 | 12.06 |

(1) Total Revenue (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

(4) Bonds were fully repaid during fiscal year 2005.

Jefferson County
Demographic and Economic Statistics
Last Ten Years

| Year | Population (1) | Personal Income (2) | Per Capita Personal Income (4) | Unemployment Rate (3) |
|------|----------------|---------------------|--------------------------------------|--------------------------|
| 2006 | 70,125 | \$1,868,786,000 | \$26,649 | 6.60% |
| 2005 | 70,599 | 1,868,786,000 | 26,470 | 7.80% |
| 2004 | 71,420 | 1,813,560,000 | 25,393 | 8.40% |
| 2003 | 71,888 | 1,745,187,000 | 24,276 | 7.50% |
| 2002 | 72,402 | 1,715,199,000 | 23,690 | 6.60% |
| 2001 | 72,855 | 1,658,671,000 | 22,767 | 7.00% |
| 2000 | 73,894 | 1,631,759,000 | 22,082 | 5.80% |
| 1999 | 73,662 | 1,560,540,000 | 21,185 | 5.50% |
| 1998 | 74,558 | 1,543,095,000 | 20,697 | 7.40% |
| 1997 | 76,014 | 1,429,857,000 | 18,810 | 6.70% |

Sources: (1) *U.S. Census Bureau*
(2) *Bureau of Economic Analysis*
(3) *Ohio Job and Family Services website*
(4) *Personal Income not available for 2006. Used 2005 income.*

Jefferson County
Principal Employers
Current Year and Nine Years Ago

| Employer | Nature of Business | 2006 | |
|---------------------------------------|--------------------------------|---------------------|--------------------------------|
| | | Number of Employees | Percentage of Total Employment |
| Wheeling-Pittsburgh Steel Corporation | Steel | 3,400 | 11.64% |
| Trinity | Acute Care Hospital | 1,700 | 5.82% |
| Mittal Steel | Steel | 1,258 | 4.31% |
| Wal-Mart Distribution Center | Retail Food Sales Distribution | 791 | 2.71% |
| Jefferson County | Government | 752 | 2.58% |
| Titanium Metals Corporation | Titanium Mill Production | 551 | 1.89% |
| First Energy | Utility | 450 | 1.54% |
| Wal-Mart | Retail | 450 | 1.54% |
| Franciscan University | Education | 400 | 1.37% |
| Steubenville City School District | Education | 310 | 1.06% |
| Total | | <u>10,062</u> | <u>34.46%</u> |
| Total Employment within the County | | <u>29,200</u> | |

| Employer | Nature of Business | 1997 | |
|---------------------------------------|--------------------------|---------------------|--------------------------------|
| | | Number of Employees | Percentage of Total Employment |
| Wheeling-Pittsburgh Steel Corporation | Steel | 3,602 | 12.77% |
| Fort Steuben Mall | Retail Sales | 1,750 | 6.21% |
| Ohio Valley Hospital | Acute Care Hospital | 814 | 2.89% |
| Jefferson County | Government | 710 | 2.52% |
| The Ohio Edison Company | Utility | 604 | 2.14% |
| Ohio Power Company | Utility | 525 | 1.86% |
| Krogers | Retail Food Sales | 360 | 1.28% |
| Titanium Metals Corporation | Titanium Mill Production | 350 | 1.24% |
| Edison Local School District | Education | 330 | 1.17% |
| Steubenville City School District | Education | 323 | 1.15% |
| Total | | <u>9,368</u> | <u>33.22%</u> |
| Total Employment within the County | | <u>28,200</u> | |

Sources: Jefferson County Auditor

Jefferson County
County Government Employees by Function/Activity
Last Seven Years (1)

| | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|---|------------|------------|------------|------------|------------|------------|--------------|
| General Government | | | | | | | |
| Legislative and Executive | | | | | | | |
| Commissioners | 5 | 5 | 5 | 7 | 8 | 8 | 10 |
| Auditor | 10 | 10 | 7 | 9 | 12 | 12 | 19 |
| Treasurer | 5 | 4 | 4 | 5 | 6 | 6 | 8 |
| Prosecuting Attorney | 14 | 16 | 19 | 16 | 16 | 15 | 17 |
| Board of Elections | 9 | 9 | 10 | 10 | 10 | 10 | 19 |
| Recorder | 5 | 5 | 5 | 5 | 6 | 6 | 6 |
| Buildings and Grounds | 7 | 7 | 7 | 7 | 10 | 11 | 14 |
| Data Processing | 6 | 6 | 6 | 6 | 7 | 6 | 7 |
| Certificate Auto Title | 5 | 5 | 7 | 7 | 6 | 6 | 8 |
| Real estate assessment | 6 | 5 | 7 | 3 | 4 | 4 | 4 |
| DRETAC | 5 | 3 | 3 | 3 | 3 | 2 | 2 |
| Judicial | | | | | | | |
| Jury Commission | 0 | 0 | 0 | 0 | 2 | 1 | 3 |
| Common Pleas Court | 8 | 9 | 8 | 9 | 8 | 8 | 8 |
| Adult Probate Court | 55 | 57 | 61 | 59 | 59 | 54 | 111 |
| Probate Court | 6 | 6 | 7 | 5 | 7 | 7 | 8 |
| County Court #1 | 4 | 3 | 3 | 3 | 4 | 4 | 4 |
| County Court #2 | 4 | 4 | 4 | 4 | 3 | 4 | 3 |
| County Court #3 | 4 | 4 | 3 | 3 | 3 | 3 | 3 |
| Juvenile Court | 16 | 16 | 26 | 25 | 19 | 16 | 30 |
| Municipal Court | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Clerk of Courts | 8 | 8 | 8 | 10 | 8 | 8 | 8 |
| Court Magistrate | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| Law Library | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Public Safety | | | | | | | |
| Jail Operating Levy | 64 | 64 | 65 | 80 | 83 | 79 | 108 |
| 911 Emergency | 14 | 14 | 12 | 14 | 14 | 15 | 18 |
| Permissive Sheriff | 44 | 48 | 38 | 37 | 45 | 41 | 47 |
| Court Corrections | 10 | 11 | 6 | 10 | 10 | 10 | 14 |
| Coroner | 6 | 5 | 5 | 5 | 5 | 5 | 4 |
| Public Works | | | | | | | |
| MVGT | 45 | 47 | 47 | 52 | 53 | 54 | 69 |
| Beautification | 9 | 13 | 12 | 14 | 14 | 14 | 23 |
| Health | | | | | | | |
| Dog and Kennel | 4 | 4 | 5 | 4 | 5 | 5 | 6 |
| Board of Health | 25 | 16 | 17 | 11 | 13 | 13 | 13 |
| Mental Health | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| MRDD | 167 | 156 | 158 | 158 | 177 | 177 | 216 |
| Human Services | | | | | | | |
| Family and Child | 1 | 1 | 1 | 0 | 0 | 0 | 0 |
| Public Assistance | 109 | 107 | 79 | 86 | 94 | 93 | 101 |
| Children's Services | 7 | 9 | 47 | 66 | 73 | 73 | 90 |
| Child Support Enforcement Agency | 15 | 14 | 14 | 16 | 15 | 20 | 23 |
| Veteran Services | 9 | 9 | 4 | 9 | 9 | 8 | 8 |
| Conservation and Recreation | | | | | | | |
| Soil and Water | 5 | 10 | 10 | 13 | 13 | 13 | 16 |
| Community and Economic Development | | | | | | | |
| Airport | 5 | 3 | 5 | 5 | 4 | 4 | 7 |
| Sewer District | 3 | 4 | 5 | 5 | 5 | 10 | 15 |
| Water District | 14 | 14 | 14 | 15 | 18 | 12 | 30 |
| Total | 752 | 745 | 758 | 810 | 865 | 851 | 1,115 |

(1) Information prior to 2000 not available.

Source: Jefferson County Auditor

Jefferson County
Capital Asset Statistics by Function/Activity
Current Year (1)

| | 2006 |
|--|---------|
| General Government | |
| Legislative and Executive | |
| Commissioners | |
| Number of vehicles | 5 |
| Auditor | |
| Number of vehicles | 1 |
| Prosecuting Attorney | |
| Number of vehicles | 2 |
| Judicial | |
| Adult Probation | |
| Number of vehicles | 1 |
| Juvenile Court | |
| Number of vehicles | 3 |
| Total number of courtrooms | 7 |
| Public Safety | |
| Sheriff | |
| Number of Adult Cells - single | 80 |
| Number of Juvenile Cells - double | 20 |
| Cruisers | 10 |
| Number of vehicles | 1 |
| Juvenile Court - Detention | |
| Number of vehicles | 1 |
| 911 Emergency | |
| Number of vehicles | 2 |
| Public Works | |
| Engineer | |
| Number of vehicles | 22 |
| Pieces of heavy equipment | 35 |
| Number of bridges and culverts | 310 |
| Lane miles of roads | 526 |
| Lineal feet of guardrail | 425,347 |
| Health | |
| MRDD | |
| Number of vehicles | 1 |
| Number of buses | 20 |
| Mental Health | |
| Number of vehicles | 1 |
| Human Services | |
| Job and Family Services | |
| Number of vehicles | 8 |
| Children Services | |
| Number of vehicles | 2 |
| Number of rooms - childrens home | 9 |
| Conservation and Recreation | |
| Parks | |
| Number of vehicles | 2 |
| Community and Economic Development | |
| Airpark | |
| Length of runway in feet | 4,400 |
| Number of hangers | 5 |
| Number of rental spaces | 33 |
| Industrial Park | |
| Undeveloped acreage | 75 |
| Sewer District | |
| Number of tanks, lifts, and booster stations | 23 |
| Water District | |
| Number of vehicles | 7 |
| Number of tanks, lifts, and booster stations | 48 |

(1) Information prior to 2006 not available
Source: Jefferson County Auditor's Office

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Jefferson County
Operating Indicators by Function/Activity
Last Ten Years

| | 2006 | 2005 | 2004 | 2003 |
|------------------------------------|----------|-----------|-----------|-----------|
| General Government | | | | |
| Legislative and Executive | | | | |
| Auditor | | | | |
| Number of non-exempt conveyances | 1,343 | 1,382 | 1,459 | 1,282 |
| Number of exempt conveyances | 1,382 | 1,468 | 1,644 | 1,645 |
| Homestead and Rollback: | | | | |
| Number of Exemptions Granted | 179 | 2,883 | 2,923 | 3,011 |
| Total reduction in taxes | \$14,099 | \$664,503 | \$676,858 | \$675,580 |
| Number of Individual Dog Tags Sold | 4,864 | 4,765 | 5,467 | 5,658 |
| Total Number of Dog Tags Sold | 5,321 | 5,258 | 5,888 | 6,140 |
| Board of Elections | | | | |
| Number of registered voters | 48,639 | 47,894 | 49,651 | 46,073 |
| Number of Ballots Cast | 26,666 | 22,742 | 37,176 | 20,667 |
| Judicial | | | | |
| Common Pleas Court | | | | |
| Number of New Cases Filed | 951 | 741 | 872 | 869 |
| Probate Court | | | | |
| Number of New Cases Filed | 653 | 694 | 778 | 733 |
| Juvenile Court | | | | |
| Number of New Cases Filed | 3,136 | 2,979 | 3,036 | 3,016 |
| County Court | | | | |
| Number of New Cases Filed | 2,956 | 3,126 | 3,758 | 5,179 |
| County Court #2 | | | | |
| Number of New Cases Filed | 2,235 | 1,929 | 2,108 | 2,902 |
| County Court #3 | | | | |
| Number of New Cases Filed | 2,010 | 1,764 | 2,083 | 3,206 |
| Clerk of Courts | | | | |
| Titles | 38,365 | 39,320 | 41,957 | 39,569 |
| Duplicates | 1,851 | 1,869 | 1,912 | 1,973 |
| Replacements | 2,397 | 2,369 | 2,752 | 2,653 |
| Salvage | 237 | 290 | 337 | 350 |
| Public Safety | | | | |
| Sheriff | | | | |
| Calls Received | 100,000 | 65,000 | 66,000 | 66,000 |
| Investigated Complaints | 2,642 | 2,965 | 3,285 | 3,461 |
| Arrests | 500 | 541 | 531 | 579 |
| Warrants Served | 599 | 547 | 499 | 546 |
| Mileage Traveled | 423,245 | 414,612 | 370,632 | 357,463 |
| Sheriff Sales | 182 | 128 | 141 | 109 |
| Jail Operation | | | | |
| Prisoners booked | 2,845 | 2,877 | 3,220 | 3,663 |
| Prisoners released | 2,836 | 2,866 | 3,239 | 3,630 |
| Meals Served | 241,661 | 227,634 | 273,491 | 260,512 |

| 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|-----------|-----------|-----------|-----------|-----------|-----------|
| 1,336 | 1,320 | N/A | N/A | N/A | N/A |
| 1,686 | 1,682 | N/A | N/A | N/A | N/A |
| 3,073 | 3,110 | 3,124 | 3,198 | 3,172 | 3,199 |
| \$676,368 | \$668,992 | \$680,641 | \$676,524 | \$659,351 | \$673,203 |
| 6,114 | 6,027 | 6,093 | 6,060 | 6,430 | 6,453 |
| 6,603 | 6,500 | 6,578 | 6,552 | 6,933 | 6,906 |
| 52,971 | 52,777 | 55,291 | 53,533 | 54,577 | 54,232 |
| 24,176 | 20,644 | 35,449 | 22,773 | 28,025 | 26,306 |
| 795 | 739 | 644 | 731 | N/A | N/A |
| 786 | 773 | 713 | 804 | N/A | N/A |
| 2,998 | 2,631 | 2,064 | 1,647 | N/A | N/A |
| 4,823 | 4,556 | 4,204 | 4,538 | N/A | N/A |
| 3,149 | 2,767 | 2,536 | 2,465 | N/A | N/A |
| 2,666 | 2,252 | 2,190 | 1,821 | N/A | N/A |
| 37,992 | 35,360 | 34,310 | 25,215 | 19,130 | 15,383 |
| 1,902 | 1,877 | 1,844 | 992 | 620 | 517 |
| 2,509 | 2,739 | 2,925 | 650 | 429 | 305 |
| 503 | 617 | 668 | 429 | 173 | 162 |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |
| 3,464 | 2,827 | 2,588 | 2,495 | 2,255 | N/A |
| 3,438 | 2,117 | 1,468 | 1,284 | 909 | N/A |
| N/A | N/A | N/A | N/A | N/A | N/A |

(continued)

Jefferson County
Operating Indicators by Function/Activity (Continued)
Last Ten Years

| | 2006 | 2005 | 2004 | 2003 |
|--|--------------|--------------|--------------|--------------|
| Juvenile Detention | | | | |
| Number of Admissions | 622 | 616 | 760 | 897 |
| Average Daily Population | 24.39 | 26.04 | 29.33 | 33.50 |
| Revenue (Juveniles outside County) | \$367,232 | \$370,430 | \$474,263 | \$629,035 |
| 911 service | | | | |
| Logged calls per year | 38,957 | 39,847 | 41,953 | 42,213 |
| Public Works | | | | |
| Engineer | | | | |
| Miles of roads resurfaced (hot/cold mix) | 13.91 | 6.08 | 9.63 | 5.02 |
| Miles of roads resurfaced (chip/sealed) | 7.10 | 29.44 | 34.71 | 46.57 |
| Number of culverts built/replaced/improved | 2,605 | 3,054 | 5,566 | 1,457 |
| Number of Bridges repaired /replaced | 3 | 3 | 4 | 6 |
| Number of slips repaired | 6 | 34 | 17 | 9 |
| Health | | | | |
| MRDD | | | | |
| Number of Adults Served | 208 | 213 | 211 | 223 |
| Number of Children Served | 80 | 80 | 80 | 80 |
| Prevention and Recovery Board | | | | |
| Total Number Served | 3,632 | 3,654 | 3,546 | 3,239 |
| Health Department | | | | |
| Number of Births | N/A | N/A | 2 | 6 |
| Number of Deaths | N/A | N/A | 178 | 234 |
| Number of Participants in WIC Program | N/A | N/A | 18,531 | 19,990 |
| Number of Immunizations | N/A | N/A | 5,149 | 2,898 |
| Human Services | | | | |
| Jobs and Family Services | | | | |
| Child Support Collections | \$11,561,654 | \$11,470,350 | \$11,216,314 | \$10,902,487 |
| Average Client Count - Food Stamps | 9,051 | 8,885 | 8,682 | 8,175 |
| Average Ohio Works First Recipients | 1,962 | 2,033 | 2,154 | 2,024 |
| Average Disability Recipients | 176 | 156 | 166 | 182 |
| Average Medicaid Recipients | 14,893 | 14,757 | 14,520 | 13,608 |
| Nursing Home Vendor Cost | \$18,835,105 | \$19,060,034 | \$20,384,246 | \$20,301,890 |

N/A = information not available.

Source: Jefferson County Auditors

| 2002 | 2001 | 2000 | 1999 | 1998 | 1997 |
|--------------|--------------|--------------|--------------|--------------|--------------|
| 914 | 927 | 977 | 1,012 | 817 | N/A |
| 33.96 | 34.40 | 32.87 | 31.70 | 29.64 | N/A |
| \$710,777 | \$681,200 | \$692,280 | \$670,200 | \$425,920 | N/A |
| 41,450 | 39,742 | 39,204 | 38,652 | 37,747 | N/A |
| 14.30 | 4.00 | 19.00 | 13.10 | 20.90 | 34.10 |
| 15.40 | 70.60 | 56.00 | 35.90 | 74.10 | 51.50 |
| 4,502 | 4,556 | 4,595 | 5,330 | 4,232 | 5,680 |
| 12 | 9 | 8 | 4 | 1 | 4 |
| 4 | 1 | 1 | 0 | 13 | 11 |
| 234 | 229 | 224 | N/A | N/A | N/A |
| 80 | 80 | 80 | N/A | N/A | N/A |
| 3,030 | 2,862 | 2,876 | 2,859 | 2,842 | 2,752 |
| 1 | 7 | 7 | 9 | 5 | 6 |
| 183 | 179 | 189 | 161 | 172 | 152 |
| 21,632 | 22,132 | 23,616 | 23,616 | 23,948 | 24,006 |
| 4,114 | 4,825 | 4,024 | 4,445 | 4,668 | 4,174 |
| \$10,719,088 | \$10,613,891 | \$9,785,579 | \$9,703,187 | \$8,950,609 | \$8,482,395 |
| 7,290 | 6,945 | 6,573 | 7,103 | 7,785 | 9,127 |
| 1,860 | 2,063 | 2,370 | 2,424 | 3,224 | 4,678 |
| 168 | 146 | 127 | 155 | 157 | 158 |
| 12,881 | N/A | N/A | N/A | N/A | N/A |
| \$17,471,005 | \$13,621,061 | \$13,066,649 | \$13,137,133 | \$14,363,321 | \$13,760,362 |

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