



**Auditor of State
Betty Montgomery**

**FINANCIAL CONDITION
JEFFERSON COUNTY**

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**FINANCIAL CONDITION
JEFFERSON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Disbursements
U.S. Department of Agriculture			
Solid Waste Management Grant	10.762	FY 04	\$73,792
		FY 05	14,434
Total Solid Waste Management Grant			<u>88,226</u>
<i>Passed through the Ohio Department of Education</i>			
Childrens Services			
Child and Adult Food Care	10.558	FY 04	16,904
		FY 05	17,317
Total Child and Adult Food Care			<u>34,221</u>
Board of Mental Retardation			
National School Lunch	10.555	FY 04	12,864
		FY 05	4,504
Total MRDD National School Lunch			<u>17,368</u>
Juvenile Detention Department			
National School Lunch	10.555	FY 04	24,632
		FY 05	9,645
Juvenile Detention National School Lunch			<u>34,277</u>
Sheriff Jail Lunch	10.555	FY 04	30,671
		FY 05	15,890
			<u>46,561</u>
Food Distribution Program	10.550	FY 04	<u>1,700</u>
Total U.S. Department of Agriculture			222,353
U. S. Department of Housing and Urban Development			
<i>Passed through the Ohio Department of Development:</i>			
Community Development Formula Program	14.228	B-F-02-038-1	128,787
		B-F-03-038-1	153,690
Total Formula Grant			<u>282,477</u>
Community Housing Improvement Program	14.228	BC-02-038-1	46,504
Home Investment Partnership Program	14.239	BC-02-038-2	<u>351,393</u>
Total U.S. Housing and Urban Development			680,374
U.S. Department of Education			
<i>Passed through the Ohio Department of Education:</i>			
Special Education Grants to States	84.027	6B-SF-04	36,057
		6B-SF-05	5,650
Total Title VI B			<u>41,707</u>
Special Education - Preschool Grant	84.173	PG-S1-04	10,847
		PG-S1-05	1,134
Total Preschool Grant			<u>11,981</u>
Chapter 2 Innovator Grant	84.298	C2-S1-04	703
		C2-S1-05	32
Total Innovator Grant			<u>735</u>
Total U.S. Department of Education			54,423
Department of Homeland Security			
<i>Passed Through the State Emergency Management Agency:</i>			
State Domestic Preparedness Equipment Support Program	97.004	2002-TE-CX-0106	3,984
		2003-TE-TX-0199	9,405
		2003-MUP-30015	85,189
		2003-MUP-30015	4,635
Total State Domestic Preparedness Equipment Support Program			<u>103,213</u>

**FINANCIAL CONDITION
JEFFERSON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Disbursements
Public Assistance Grant (FEMA-PA)	97.036	1507-DR-09C35 1519-DR-081-09C35 1507-DR-081-UL5CH 1507-DR-081-UL5CH 1484-DR-081U3IQR 1507-DR	284,279 154,666 15,934 5,422 1,871 4,278 <hr/> 466,450
Pre-Disaster Mitigation Program	97.047	EMC-2002-GR-7037	5,997
State and Local Hazards Emergency Operations Program	97.051	EMC-2003-GR-7026	19,158
Emergency Management Performance Grant	97.042	FY 04	38,009
Total U.S. Department of Homeland Security			632,827
U. S. Department of Health and Human Services			
<i>Passed Through the Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Social Services Block Grant - Title XX	93.667	MR-41- 04 MR-41- 05	27,958 28,357 <hr/> 56,315
Total Title XX			56,315
Medicaid Title XIX - Targeted Case Management	93.778	4100010-04	174,905
Medicaid Title XIX - ICF/MR		512207-04	1,173,906
		512207-05	894,115
CAFS		4100010-04	678,540 <hr/> 2,921,466
Total Title XIX			2,921,466
<i>Passed Through Ohio Department of Job and Family Services</i>			
Child Support Enforcement Magistrates Program	93.563	N/A	97,057
<i>Passed Through Ohio Department of Alcohol and Drug Addiction</i>			
Substance Abuse Prevention and Treatment Block Grant (Block Grant Path Award)	93.992	24-Path-01-04-A	23,034
Substance Abuse Prevention and Treatment Block Grant (Womens Set Aside Funds)	93.959	FY 04 FY 05	30,254 41,200
Substance Abuse Prevention and Treatment Block Grant (ADMS Per Capita Block Grant)		FY 04 FY 05	94,654 129,126 <hr/> 295,234
Total Substance Abuse Block Grant			295,234
Medical Assistance Program Medicaid, Title XIX - Assistance	93.778	41513 FY 04 41513 FY 05	78,860 22,996 <hr/> 101,856
<i>Passed Through Ohio Department of Mental Health</i>			
Medical Assistance Program Medicaid, Title XIX - OBRA	93.778	FY 04 FY 05	1,468 562
Medical Assistance Program Medicaid, Title XIX - Assistance		MC-24 MC-24	1,857,028 546,934 <hr/> 2,405,992
Total Title XIX			2,405,992
Total Medical Assistance, Medicaid			2,507,848
Suicide Prevention Grant	93.958	BG 3	2,000
Suicide Prevention Grant	93.958	BG-46	546
Recovery Summit Grant	93.958	BG 3	10,000
Community Mental Health Services Block Grant (ODMH Community Plan Block Grant)	93.958	FY 04 FY 05	29,539 38,444 <hr/> 80,529
Block Grants for Prevention and Treatment of Substance Abuse (Children Adolescence Core Services)	93.959	FY 04 FY 05	10,512 14,315 <hr/> 24,827
Social Services Block Grant	93.667	FY 04 FY 05	46,474 24,192 <hr/> 70,666
Total Title XX			70,666
Total U.S. Department of Health and Human Services			6,076,976

**FINANCIAL CONDITION
JEFFERSON COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2004
(Continued)**

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Disbursements
U.S. Department of Justice			
Public Safety Partnership and Community Policing Grant	16.710	2002-SHWX-0500	140,692
Community Prosecution and Project Safe Neighborhood Program	16.609	2003-PP-CX-0013 2002-PP-CX-0054 2003-PS-PSN-317	130,021 8,924 66,366 <hr/> 205,311
Local Law Enforcement Block Grant Program	16.592	2001-GP-CX-0073	40,000
<i>Passed through Ohio Attorney General Crime Victim Assistance Fund</i>	16.575	2003 VAGENE 030T 2004 VAGENE 030T	28,422 8,957 <hr/> 37,379
Total Crime Victim Assistance Grant			37,379
<i>Passed through Ohio Department of Youth Services Juvenile Detention Department Juvenile Accountability Incentive Block Grant</i>			
Juvenile Court Juvenile Accountability Incentive Block Grant	16.523	2003-JB-011-A013 2002-JB-007-A013 2002-JB-002-B013	10,059 2,724 937
Juvenile Accountability Incentive Block Grant - Status Offender Program	16.523	2002-JB-007-B019 2001-JJ-D11-0019 2000-JJ-D11-0019	11,895 29,605 20,996 <hr/> 76,216
Total Juvenile Accountability Incentive Block Grant			76,216
Juvenile Justice and Delinquency Prevention -Drug Court Treatment Program	16.540	2003-JJ-DPS-0054 2002-JJ-DP2-0054	19,100 11,730 <hr/> 30,830
Total U.S. Department of Justice			530,428
U.S. Department of Transportation			
<i>Passed through Ohio Department of Development Appalachian Area Development Program</i>			
<i>Passed through Governors Highway Safety Office State and Community Highway Safety Grant</i>			
	20.600	5041.0	<hr/> 3,301
Total U.S. Department of Transportation			3,301
U.S. Department of Labor			
<i>Passed Through the Ohio Department of Job and Family Services</i>			
WIA Adult Programs	17.258	N/A	529,334
WIA Adult Administrative		N/A	56,146
Wheeling Pittsburgh Steel Project		N/A	81,781
WIA Youth Activities	17.259	N/A	503,169
WIA Youth Administrative		N/A	36,425
WIA Dislocated Worker	17.260	N/A	257,142
WIA Dislocated Worker Administrative		N/A	19,590 <hr/> 1,483,587
Total U.S. Department of Labor			1,483,587
Federal Aviation Administration			
Airport Improvement Program	20.106	AIP3-39-0074-1104 AIP3-39-0074-09-01	74,228 1,114,874 <hr/> 1,189,102
Total Federal Aviation Administration			1,189,102
General Services Administration			
Passed through the Ohio Secretary of State	39.011	N/A	12,910
			<hr/> 10,886,281

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

**FINANCIAL CONDITION
JEFFERSON COUNTY**

FISCAL YEAR ENDED DECEMBER 31, 2004

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B FOOD DISTRIBUTION

Non monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the schedule at the fair value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At December 31, 2004, the County had no significant food commodities in inventory.



**Auditor of State
Betty Montgomery**

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

Jefferson County
301 Market Street
Steubenville, Ohio 43952

To the Board of Commissioners:

We have audited the financial statements of the governmental activities, 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, 2004, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 22, 2005, in which we indicated we did not audit the financial statements of JeffCo Workshop, as those financial statements were audited by other auditors. We also noted a going concern issue regarding the County's self insurance fund deficit and its ability to meet the obligations of the self insurance program. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by an error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the County's management dated June 22, 2005, we reported other matters involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2004-001 and 2004-002. In a separate letter to the County's management dated June 22, 2005, we reported other matters related to noncompliance we deemed immaterial.

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

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

Betty Montgomery
Auditor of State

June 22, 2005



Auditor of State Betty Montgomery

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

Jefferson County
301 Market Street
Steubenville, Ohio 43952

To the Board of Commissioners:

Compliance

We have audited the compliance of Jefferson County, Ohio, (the County) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that apply to each of its major federal programs for the year ended December 31, 2004. The summary of the auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, Jefferson County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2004.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected by employees when performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted matters involving the internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated June 22, 2005.

Federal Awards Expenditure Schedule

We have audited the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Jefferson County, Ohio as of and for the year then ended December 31, 2004, which collectively comprise the County's basic financial statements, and have issued our report thereon dated June 22, 2005, which indicated we did not audit the financial statements of JeffCo Workshop, as those financial statements were audited by other auditors and which noted a going concern issue regarding the County's self insurance fund deficit and its ability to meet the obligations of the self insurance program. Our audit was performed to form an opinion on the financial statements that collectively comprise the County's basic financial statements. The accompanying federal awards expenditures schedule provides additional information as required by OMB Circular A-133 and is not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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



Betty Montgomery
Auditor of State

June 22, 2005

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2004**

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

1. SUMMARY OF AUDITOR'S RESULTS
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(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under ' .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA# 14.228, 14.239, 17.258, 17.259, 17.260, 20.106, 97.036,
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 326,588 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

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

Finding Number	2004-001
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Non-Compliance Citation

Ohio Revised Code § 5705.10 provides that money paid into any fund shall be used for the purpose for which it was established. At December 31, 2004, the Public Assistance Fund, Permissive Sheriff's Fund, the Jail Operating Levy Fund and the Self Insurance-Health Fund had deficit balances of \$31,397, \$287,402, \$2,507,151 and \$7,852,760 respectively.

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2004**

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

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

Finding Number	2004-002
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Non-Compliance Citation

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

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

- 1. Then and Now Certificate** – If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was, both at the time of the contract or order and at the time of the certificate, appropriated and free of any previous encumbrances, the Board of Commissioners may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate, if such expenditure is otherwise valid.

If the amount involved is less than \$100 the fiscal officer may authorize payment through a Then and Now Certificate without affirmation of the Board of Commissioners if such expenditure is otherwise valid.

- 2. Blanket Certificate** – Fiscal officers may prepare "blanket" certificates for a certain sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not be, limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.
- 3. Super Blanket Certificate** – The County may also make expenditures and contracts for any amount from a specific line item appropriation in a specified fund upon certification of the fiscal officer for most professional services, fuel, oil, food items, and any other specific recurring and reasonably predictable operating expense. This certification is not to extend beyond the current year. More than one super blanket may be outstanding a particular time for any line item appropriation.

The County did not properly certify or record the amount against the applicable appropriation accounts for 43% of tested expenditures. None of these expenditures were blanket purchase orders. However, of the exceptions described above, the County utilized only the blanket certificates and did not use "then and now" certificates or super blanket certificates.

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2004**

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

Ohio Revised Code Section 5705.41(D) also addresses the use of blanket purchase orders. Fiscal officers may prepare "blanket certificates" for a sum of money not in excess of an amount established by resolution or ordinance adopted by a majority of the legislative authority. The blanket certificate may be charged against any specific line item over a period not running beyond the end of the current fiscal year.

During 2004, 12% of the blanket purchase orders tested extended beyond year end.

Failure to certify the availability of funds and encumber appropriations could result in overspending and negative cash balances. Unless the exceptions noted above are used, prior certification is not only required by statute but it is also a key control in the disbursement process to assure that purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the County's funds exceeding budgetary spending limitations, the County Auditor should certify that the funds are or will be available prior to obligation by the County. When prior certification is not possible, "then and now" certification should be used.

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

All County departments using blanket certificates should be notified of this requirement and take steps to ensure blanket certificates are not issued for a period longer than the fiscal year.

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

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2004**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2003-001	Ohio Revised Code § 5705.10 Several funds had deficit balances	No	Cited again in 2004
2003-002	Ohio Revised Code § 5705.41 (D) expenditures were not properly certified	No	Cited again in 2004
2003-003	Ohio Revised Code § 5705.41 (B) expenditures exceeded appropriations	No	Cited in the management letter

Jefferson County, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2004

Prepared by the Jefferson County Auditor's Office:

Patrick J. Marshall
Jefferson County Auditor

Jefferson County, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2004

Patrick J. Marshall

Jefferson County Auditor

Prepared by the Jefferson County Auditor's Office

Michael Warren

Deputy Auditor

Lewis Piergallini

Deputy Auditor

Joseph K. Boni

Deputy Auditor

Vickie Eberts Winski

Deputy Auditor

Introductory Section

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Comprehensive Annual Financial Report
For the Year Ended December 31, 2004
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Comprehensive Annual Financial Report
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OFFICE OF THE AUDITOR JEFFERSON COUNTY, OHIO

301 Market Street
P.O. Box 159
Steubenville, Ohio 43952

Patrick J. Marshall
County Auditor

Phone - (740) 283-8511
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June 22, 2005

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, 2004. 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.

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.

This is the eighth 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).

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 2003 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.

REPORTING ENTITY

For financial purposes, the County includes all funds, account groups, agencies, boards, and commissions making up Jefferson County (the Primary Government) and its Component Unit in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity." The County's primary government comprises all entities not legally separate from the County, and includes the financial activities of the Childrens Services Board, the Jefferson County Board of Mental Retardation and Developmental Disabilities, the Prevention and Recovery Board, the Department of Job and Family Services, the Veteran's Service Commission, the Regional Airport Authority, the Jefferson County Water and Sewer District, and all departments and activities that are directly operated by the County elected officials.

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

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

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

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

THE COUNTY AND THE FORM OF 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 2004 population of 71,420 placed it as the thirty-fifth 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 199th largest of the 261 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. Airline transportation services to the County are provided by the Jefferson County Airport located in Cross Creek Township and by the Pittsburgh International Airport, located approximately 22 miles east of the County.

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

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

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

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

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

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

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

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 maintain 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.

ECONOMIC CONDITION AND OUTLOOK

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 within the area's steel mills. It is the belief of the local steel industry executives that these reorganization plans along with the remaining tariffs imposed on steel imports will allow local steel mills to compete with overseas competitors on a level playing field. It is also believed that these steps will provide the local steel industry with the necessary time to make changes to remain competitive on a long-term basis.

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

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

A 93 acre campus style 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. A 35,300 square foot shell building at the park, as well as additional sites, are currently available for sale or lease.

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

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

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

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

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

Timet, a titanium metals processor located in Toronto, continues to make capital investments in new machinery and equipment. Since 1995, the company has invested over \$50 million in modernization and expansions, and has more than doubled its workforce to 494 employees in the last few years. A portion of the parent company's operations relocated from Tennessee in 1998. More growth was experienced with the opening of a new forged press in June 1999.

The Fort Steuben Mall, celebrating 25 years in the area, announced plans for a \$35 million modernization project. The key components of this modernization project were the construction of new anchor stores for Sears, JC Penney, and Wal Mart. Construction on each of these new anchor stores has been completed, and each store is up and running.

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

MAJOR INITIATIVES

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

Industrial Park

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

Airport

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

Road and Bridge Improvement

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

Geographic Information System

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

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

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

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

Water and Sewer

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

FINANCIAL INFORMATION

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.

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 appropriation 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.

A more detailed assessment of the County's finances for 2004 can be found in Management's Discussion and Analysis beginning on page 3.

CASH MANAGEMENT

The County pools all idle cash to achieve maximum investment efficiency and to enhance accountability. The County Treasurer, as custodian of all County monies, is responsible for all County investments. An investment policy is established by the Investment Advisory Board which is comprised of the County Treasurer, the Chair of the County Commissioners, and one other Commissioner chosen by the Chair. Ohio law requires the Board to meet every six months. The County treasurer deposits money in the bank each day in interest bearing checking accounts. A cash surplus is calculated daily, and excesses are invested in order to achieve the highest yields in the safest instruments possible. During the year ended December 31, 2004, the County's resources were divided among United States Treasury Notes, money market mutual funds, and certificates of deposit. Interest earned by the primary government in 2004 was \$229,005 for governmental activities and \$4,110 for business-type activities. The average daily balance in 2004 was \$14,856,051, with an average daily yield of 1.54%.

RISK MANAGEMENT

Jefferson County is a member of the County Risk Sharing Authority, Inc. (CORSA), a risk sharing pool sponsored by the County Commissioners Association of Ohio. Forty-one counties are now members of CORSA. Through this risk sharing pool, the County maintains replacement cost insurance on all buildings and their contents. Blanket building and personal property insurance is held at actual replacement cost. Liability coverage, law enforcement liability coverage, automobile liability coverage, errors and omissions liability coverage, excess liability coverage, equipment breakdown coverage, and crime coverage are also maintained through CORSA.

The County participates in a Retrospective Rating and Payment Plan for workers' compensation coverage through the State of Ohio Bureau of Workers Compensation. This plan involves the payment of a minimum premium plus the actual claim costs for injured employees. Each fund is required to pay a premium that covers its own minimum premium plus the actual claim costs for injured employees. Premiums are determined based on historical claim data.

The County participates in the Ohio Mid-Eastern Regional Education Service Agency (OME-RESA) Self Insurance Plan which is a public entity claims servicing pool. The County maintains a hospitalization internal service fund to account for and finance its uninsured risks of loss in this program. The County has stop-loss coverage for individual claims in excess of \$35,000. The structure of the plan benefits falls under the control of the County Commissioners.

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, 2003. This was the seventh 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.

INDEPENDENT AUDIT

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of December 31, 2004, 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.

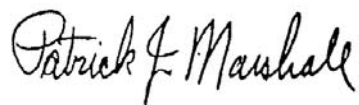
ACKNOWLEDGMENTS

The publication of this CAFR represents an important achievement in the ability of Jefferson County to provide significantly enhanced financial information and accountability to the citizens of Jefferson County, its elected officials, County management, and investors. This report continues the aggressive program of the County Auditor's office to improve the County's overall financial accounting, management, and reporting capabilities.

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

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

Sincerely,



Patrick J. Marshall
Jefferson County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jefferson County,
Ohio

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

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



Nancy L. Zielke

President

Jeffrey R. Emer

Executive Director

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

Elected Officials

Patrick J. Marshall, Auditor

Adam Scurti, Commissioner
Dr. Thomas E. Graham, Commissioner
Richard Delatore, Commissioner

Raymond A. Agresta, Treasurer

John A. Corrigan, Clerk of Courts

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

James F. Branagan, Engineer

Bryan H. Felmet, 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

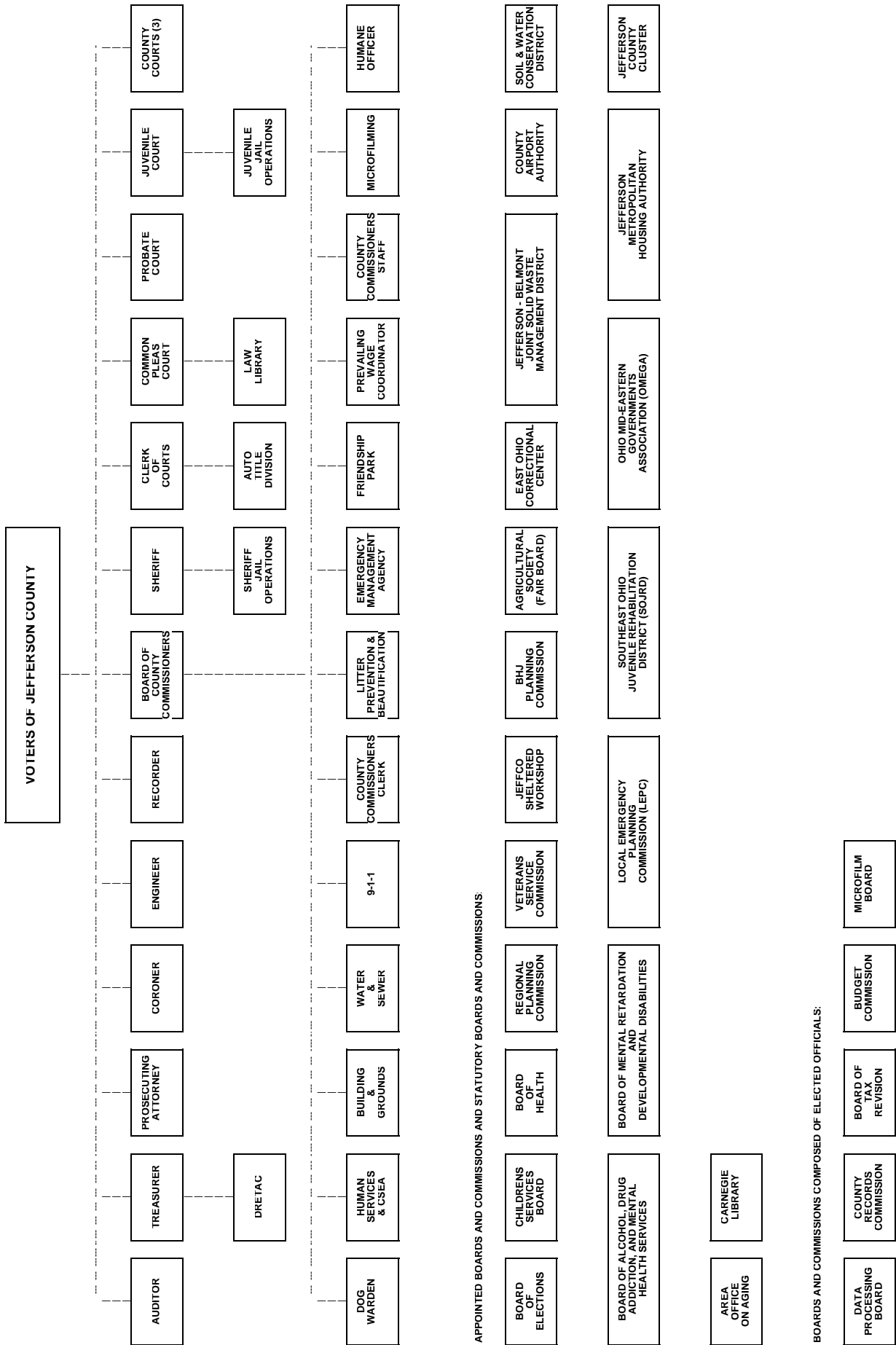
Richard P. Pfannenschmidt, Superintendent
Board of Mental Retardation/Developmental Disabilities

Pamela M. Petrilla, Director
Prevention and Recovery Board

Warne Edwards, Acting Director
Children Services Board

John T. Gilmore
Sanitary Engineer

JEFFERSON COUNTY GOVERNMENT ORGANIZATIONAL CHART



APPOINTED BOARDS AND COMMISSIONS AND STATUTORY BOARDS AND COMMISSIONS:

BOARDS AND COMMISSIONS COMPOSED OF ELECTED OFFICIALS:

Financial Section

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Jefferson County
301 Market Street
Steubenville, Ohio 43952

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jefferson County, Ohio (the County), as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Jeffco Workshop, which represents 100% of the 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. 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Public Assistance, Motor Vehicle Gasoline Tax, Mental Health, Mental Retardation Developmental Disabilities and Jail Operating Levy funds thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying basic financial statements have been prepared assuming that Jefferson County will continue as a going concern. As discussed in Note 5A to the basic financial statements, the County's self insurance program is recorded in the self insurance fund and has a deficit fund balance of \$7,852,760. The County currently cannot meet the self insurance obligations, which raises substantial doubt about the County's ability to continue as a going concern. Management's plans regarding this matter are also described in Note 11. The basic financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2005, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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

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



Betty Montgomery
Auditor of State

June 22, 2005

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2004
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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, 2004. 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 2004 are as follows:

- ❑ The County's total net assets increased by \$3,873 thousand, which represents a 3.71% increase from 2003.
- ❑ At the end of the current year, the County reported deficit unrestricted net assets for governmental activities of \$6,691 thousand. This is the direct result of a deficit unrestricted net assets in the Self Insurance Fund. In order to alleviate this deficit, the County Commissioners have implemented a monthly departmental charge dedicated specifically to the reduction of the existing deficit. In addition, the County Commissioners have increased monthly premium charges and have made significant changes to the plan guidelines.
- ❑ At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$13,533 thousand, an increase of \$2,370 thousand from the prior year. Of this amount, \$12,119 thousand is available for spending (unreserved undesignated fund balance) on behalf of its citizens.
- ❑ The deficit in the Jail Operating Levy Fund has started to decrease due to reduced spending associated with increased operational controls at the detention center.

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.

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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 2004?" 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.

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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 Fund accounts for the claims and liabilities relating to the County's self-insured hospitalization program and also accounts for the claims and liabilities relating to the County's retrospectively rated self-insured worker's compensation program.

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

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

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

Jefferson County, Ohio
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Government-Wide Financial Analysis

Table 1 provides a summary of the County's net assets for 2004 compared to 2003:

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Assets:						
Current and Other Assets	\$ 37,461	\$ 33,946	\$ 4,507	\$ 4,847	\$ 41,968	\$ 38,793
Capital Assets, Net	<u>89,633</u>	<u>90,646</u>	<u>36,627</u>	<u>34,986</u>	<u>126,260</u>	<u>125,632</u>
Total Assets	<u>127,094</u>	<u>124,592</u>	<u>41,134</u>	<u>39,833</u>	<u>168,228</u>	<u>164,425</u>
Liabilities:						
Current and Other						
Liabilities	16,316	19,738	3,452	5,733	19,768	25,471
Long-Term Liabilities	<u>33,768</u>	<u>31,452</u>	<u>10,255</u>	<u>6,938</u>	<u>44,023</u>	<u>38,390</u>
Total Liabilities	<u>50,084</u>	<u>51,190</u>	<u>13,707</u>	<u>12,671</u>	<u>63,791</u>	<u>63,861</u>
Net Assets:						
Invested in Capital						
Assets, Net of						
Related Debt	62,117	61,306	25,563	22,851	87,680	84,157
Restricted	21,584	20,584	479	633	22,063	21,217
Unrestricted	<u>(6,691)</u>	<u>(8,488)</u>	<u>1,385</u>	<u>3,678</u>	<u>(5,306)</u>	<u>(4,810)</u>
Total Net Assets	<u>\$ 77,010</u>	<u>\$ 73,402</u>	<u>\$ 27,427</u>	<u>\$ 27,162</u>	<u>\$ 104,437</u>	<u>\$ 100,564</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 \$104,437 thousand (\$77,010 thousand in governmental activities and \$27,427 thousand in business-type activities) as of December 31, 2004. By far, the largest portion of the County's net assets (81 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, \$22,063 thousand or 21 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, (\$5,306) thousand or negative 5 percent are to be used to meet the County's ongoing obligations to citizens and creditors. This deficit in total unrestricted net assets is the direct result of a deficit unrestricted net assets in the Self Insurance Fund. In order to alleviate this deficit, the County Commissioners have increased monthly premium charges and have made significant changes to the plan guidelines. This is discussed in further detail in Note 25.

Jefferson County, Ohio
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Table 2 shows the changes in net assets for 2004 compared to 2003.

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues						
Program Revenues						
Charges for Services	\$ 8,190	\$ 8,642	\$ 5,649	\$ 5,080	\$ 13,839	\$ 13,722
Operating Grants and Contributions	34,715	36,293	0	0	34,715	36,293
Capital Grants and Contributions	<u>156</u>	<u>96</u>	<u>137</u>	<u>621</u>	<u>293</u>	<u>717</u>
Total Program Revenues	<u>43,061</u>	<u>45,031</u>	<u>5,786</u>	<u>5,701</u>	<u>48,847</u>	<u>50,732</u>
General Revenues						
Property Taxes	8,882	8,739	0	0	8,882	8,739
Permissive Taxes	9,245	8,779	252	225	9,497	9,004
Intergovernmental	4,753	4,960	0	0	4,753	4,960
Interest	229	239	4	6	233	245
Miscellaneous	<u>398</u>	<u>402</u>	<u>11</u>	<u>15</u>	<u>409</u>	<u>417</u>
Total General Revenues	<u>23,507</u>	<u>23,119</u>	<u>267</u>	<u>246</u>	<u>23,774</u>	<u>23,365</u>
Total Revenues	66,568	68,150	6,053	5,947	72,621	74,097
Program Expenses						
General Government						
Legislative and Executive	6,283	6,683	0	0	6,283	6,683
Judicial	3,807	3,956	0	0	3,807	3,956
Public Safety	10,045	11,341	0	0	10,045	11,341
Public Works	7,675	8,234	0	0	7,675	8,234
Health	15,555	17,141	0	0	15,555	17,141
Human Services	16,499	18,057	0	0	16,499	18,057
Economic Development	1,381	1,737	0	0	1,381	1,737
Conservation and Recreation	19	20	0	0	19	20
Intergovernmental	63	294	0	0	63	294
Interest and Fiscal Charges	1,633	1,711	0	0	1,633	1,711
Sewer	0	0	1,516	1,340	1,516	1,340
Water	<u>0</u>	<u>0</u>	<u>4,272</u>	<u>3,943</u>	<u>4,272</u>	<u>3,943</u>
Total Expenses	<u>62,960</u>	<u>69,174</u>	<u>5,788</u>	<u>5,283</u>	<u>68,748</u>	<u>74,457</u>
Increase (Decrease) in Net Assets	<u>\$ 3,608</u>	<u>\$ (1,024)</u>	<u>\$ 265</u>	<u>\$ 664</u>	<u>\$ 3,873</u>	<u>\$ (360)</u>

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Governmental Activities

Operating grants and contributions were the largest program revenues, accounting for \$34,715 thousand or 52.1 percent of total governmental revenues. This represents a decrease of \$1,578 thousand from the prior year. The major recipients of intergovernmental program revenues were the Department of Job and Family Services (Public Assistance), Motor Vehicle and Gasoline Tax, Prevention and Recovery Board (Mental Health), and Mental Retardation and Developmental Disabilities governmental activities. The Department of Job and Family Services (Public Assistance) and the Prevention and Recovery Board (Mental Health) realized the most significant decreases in operating grants and contributions as compared with the prior year.

Permissive sales tax revenues account for \$9,245 thousand or 13.9 percent of total governmental revenues. Another major component of general governmental revenues was property tax revenues, which accounted for \$8,882 thousand or 13.3 percent of total revenues. Both of these revenues types increased moderately from the prior year (\$466 thousand increase for permissive sales tax and \$143 thousand increase for property tax revenues).

The County's direct charges to users of governmental services made up \$8,190 thousand or 12.3 percent of total governmental revenues. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits. Charges for services decreased \$452 thousand from the prior year. This decrease is attributed primarily to decreases in fines and forfeitures related to judicial activity and decreases in fees collected by the justice center.

Human services programs accounted for \$16,499 thousand, or 26.2 percent of total expenses for governmental activities. This represents a decrease of \$1,558 thousand from the prior year. This decrease is the result of reduced federal and state funding for human services programs.

Other major program expenses for governmental activities include health programs, which accounted for \$15,555 thousand, or 24.7 percent of total expenses, and public safety programs, which accounted for \$10,045 thousand, or 16.0 percent of total expenses.

Health program expenses decreased \$1,586 from the prior year. This decrease is the result of reduced federal and state funding for health related programs.

Public safety program expenses decreased \$1,296 from the prior year. This decrease is attributed to a concerted effort by the County to reduce spending in this area. Because of the existing deficit in the Jail Operating Levy Fund, the County is making every effort to reduce costs in order to alleviate this deficit. The County is also exploring additional options to help further reduce the costs associated with the operation of public safety programs.

Business-Type Activities

The net assets for business-type activities increased by \$265 thousand during 2004. Charges for services were the largest program revenue, accounting for \$5,649 thousand, or 93.3 percent of total business type revenues. Charges for services increased \$569 thousand from the prior year. This increase is due to a County implemented increase in water rates, necessary to cover the costs associated with ongoing projects.

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.

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Table 3
Governmental Activities
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
General Government				
Legislative/Executive	\$ 6,283	\$ 6,683	\$ 3,603	\$ 3,962
Judicial	3,807	3,956	2,261	2,588
Public Safety	10,045	11,341	5,471	6,977
Public Works	7,675	8,234	2,056	3,056
Health	15,555	17,141	3,124	4,791
Human Services	16,499	18,057	3,245	1,210
Economic Development	1,381	1,737	(1,576)	(232)
Conservation and Recreation	19	20	19	20
Intergovernmental	63	294	63	60
Interest and Fiscal Charges	<u>1,633</u>	<u>1,711</u>	<u>1,633</u>	<u>1,711</u>
Total Expenses	<u>\$ 62,960</u>	<u>\$ 69,174</u>	<u>\$ 19,899</u>	<u>\$ 24,143</u>

Charges for services, operating grants, and capital grants of \$43,061 thousand, or 68.4 percent of the total costs of services, are received and used to fund the general government expenses of the County. The remaining \$19,899 thousand in general government expenses is funded by property taxes, permissive sales taxes, non-restricted intergovernmental revenues, interest, and miscellaneous revenues.

The \$3,245 thousand in net cost of services for Human Services demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved a property tax levy for the Childrens Services Board program.

The \$3,124 thousand in net cost of services for Health demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved property tax levies for several programs including the Prevention and Recovery Board (Mental Health) and Mental Retardation and Developmental Disabilities.

For Public Safety, the \$5,471 thousand in net costs of services indicates the general fund, permissive sales tax, and property tax levy support provided for the operation of the Sheriff's Department and the Detention Center. Management is concerned with the fact that there are insufficient program revenues to operate the Sheriff's Department and the Detention Center. To help reduce the tax burden and increase program revenues, the County is actively pursuing contracts for the housing of prisoners from other entities outside the County.

Financial Analysis of County Funds

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

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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, 2004, the County's governmental funds reported a combined ending fund balance of \$13,533 thousand, an increase of \$2,370 thousand in comparison with the prior year. Approximately \$12,119 thousand, or 89.6 percent of this total, constitutes unreserved undesignated fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year (\$147 thousand), has been reserved for endowments for the childrens home (\$844 thousand) and has been reserved for claimants (\$380 thousand). The County has designated a portion of fund balance for the purchase of equipment (\$43 thousand). 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 source 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 2004, unreserved fund balance was \$1,988 thousand, while total fund balance was \$2,427 thousand. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 18.9 percent to total General Fund expenditures, while total fund balance represents 23.0 percent of that same amount.

The fund balance of the County's General Fund decreased by \$204 thousand during 2004. The key factor attributed to this decrease was the necessity to transfer monies to supplement other funds.

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 program. 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, 2004, net assets for the County's enterprise funds were \$27,427 thousand. Of that total, \$1,385 thousand represents unrestricted net assets that are available for spending at the County's discretion.

As of December 31, 2004, unrestricted net assets in the self-insurance programs were (\$5,116) thousand. This represents an increase in unrestricted net assets of \$3,562 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 (see Note 25). 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.

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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, 2004, were \$126,260 thousand (net of accumulated depreciation). This includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure.

For governmental activities, significant capital asset additions during 2004 included the replacement of 3 bridges at a cost of \$310 thousand and 44.9 miles of road resurfacing at a cost of \$800 thousand.

For business-type activities, major capital asset additions during 2004 included the completion of various waterline extension projects.

Note 10 (Capital Assets) provides capital asset activity during 2004.

Long Term Debt - As of December 31, 2004, the County had total general obligation bonded debt outstanding principal of \$30,232,219. The majority of this debt (\$26,557,219) is expected to be repaid through governmental activities. The remaining portion (\$3,675,000) is expected to be repaid through a combination of business type activities and assessments. The County's long term general obligation bonded debt increased by \$6,325,000 (26.46 percent) during 2004. Other outstanding long-term debt included revenue bonds of \$61,000, O.W.D.A. loans of \$4,720,975, O.P.W.C. loans of \$782,697, OEPA loans of \$105,882, notes and loans payable of \$1,467,640, and a tax refund payable of \$22,035.

On November 10, 2004, various purpose bonds were issued in the amount of \$8,010,000. These bonds were issued for water and sanitary sewer projects, and for construction cost overruns at the detention center.

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

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

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On April 7, 2004, bond anticipation notes were issued in the amount of \$750,000. These notes were issued for design and start up costs on the Toronto Water Transmission Line Connector project.

On November 10, 2004, various purpose bond anticipation notes were issued in the amount of \$950,000. These notes were issued for sanitary sewer projects.

On December 10, 2004, various purpose notes were issued in the amount of \$250,000. These notes were issued for various road projects. Note 18 provides information regarding bond anticipation notes.

Economic Factors

The unemployment rate for the County is currently 8.7 percent, which is a slight increase from 8.6 percent a year ago. This rate exceeds the state's current rate of 5.5 percent and the current national rate of 5.1 percent. The increase demonstrates the impact from the national recession and the uncertainty surrounding the steel industry.

The County's \$1.125 billion tax base has declined 9.00 percent over the last four years. This decline is attributed to the State's reduction in assessed rates of public utility personal property taxes (deregulation). This decline would have been greater, however it has been offset somewhat by an increase in the County's real estate tax values. Real property values within the County have risen steadily over the past several years, and are now at an all time high.

The County's permissive sales tax revenues have increased steadily over the past five years, despite uncertain economic conditions.

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 2005 budget, and will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

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

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Patrick J. Marshall, Jefferson County Auditor, 301 Market Street, P.O. Box 159, Steubenville, Ohio 43952.

Jefferson County, Ohio
Statement of Net Assets
December 31, 2004

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$5,406,509	\$2,792,256	\$8,198,765	\$0
Cash and Cash Equivalents in Segregated Accounts	178,721	0	178,721	230,001
Accounts Receivable	1,704,708	909,472	2,614,180	20,644
Permissive Taxes Receivable	1,584,955	40,633	1,625,588	0
Internal Balances	33,432	(33,432)	0	0
Accrued Interest Receivable	21,128	0	21,128	0
Intergovernmental Receivable	11,877,363	36,354	11,913,717	0
Cash and Cash Equivalents with Fiscal Agents	3,975,365	0	3,975,365	0
Prepaid Items	363,033	17,356	380,389	400
Materials and Supplies Inventory	254,229	11,581	265,810	2,498
Property Taxes Receivable	11,725,898	0	11,725,898	0
Special Assessments Receivable	0	288,063	288,063	0
Investments with Fiscal Agents	224,720	350,232	574,952	805,520
Deferred Charges	111,777	94,759	206,536	0
Non-Depreciable Capital Assets	6,640,450	4,259,134	10,899,584	0
Depreciable Capital Assets, Net	82,992,073	32,368,188	115,360,261	76,060
<i>Total Assets</i>	<u>127,094,361</u>	<u>41,134,596</u>	<u>168,228,957</u>	<u>1,135,123</u>
Liabilities				
Accounts Payable	1,250,387	31,405	1,281,792	1,291
Accrued Wages and Benefits	755,050	27,420	782,470	13,490
Contracts Payable	462,513	1,970,263	2,432,776	0
Matured Severance Payable	12,473	4,641	17,114	0
Intergovernmental Payable	1,605,796	128,607	1,734,403	0
Deferred Revenue	10,761,717	0	10,761,717	0
Retainage Payable	0	137,403	137,403	0
Accrued Interest Payable	127,664	34,355	162,019	0
Notes Payable	250,000	1,118,400	1,368,400	0
Claims Payable - Health Insurance	1,089,912	0	1,089,912	0
Long-Term Liabilities:				
Due Within One Year	2,544,192	721,010	3,265,202	0
Due In More Than One Year	31,224,155	9,533,923	40,758,078	0
<i>Total Liabilities</i>	<u>50,083,859</u>	<u>13,707,427</u>	<u>63,791,286</u>	<u>14,781</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	62,117,147	25,563,399	87,680,546	76,060
Restricted for:				
Capital Projects	613,300	0	613,300	0
Debt Service	1,770,126	432,321	2,202,447	0
Endowments	844,116	0	844,116	0
Other Purposes	18,357,115	46,641	18,403,756	0
Unrestricted (Deficit)	(6,691,302)	1,384,808	(5,306,494)	1,044,282
<i>Total Net Assets</i>	<u>\$77,010,502</u>	<u>\$27,427,169</u>	<u>\$104,437,671</u>	<u>\$1,120,342</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Activities
For the Year Ended December 31, 2004

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$6,282,825	\$2,468,399	\$211,318	\$0
Judicial	3,806,554	1,456,100	89,390	0
Public Safety	10,045,476	2,604,598	1,895,710	73,981
Public Works	7,675,448	347,737	5,189,606	81,940
Health	15,554,606	661,547	11,769,489	0
Human Services	16,499,448	651,911	12,602,993	0
Economic Development and Assistance	1,380,489	0	2,956,390	0
Conservation and Recreation	18,880	0	0	0
Intergovernmental	63,304	0	0	0
Interest and Fiscal Charges	1,633,070	0	0	0
<i>Total Governmental Activities</i>	<u>62,960,100</u>	<u>8,190,292</u>	<u>34,714,896</u>	<u>155,921</u>
Business-Type Activities				
Sewer	1,515,858	880,155	0	0
Water	4,272,018	4,768,592	0	137,211
<i>Total Business-Type Activities</i>	<u>5,787,876</u>	<u>5,648,747</u>	<u>0</u>	<u>137,211</u>
<i>Total Primary Government</i>	<u>\$68,747,976</u>	<u>\$13,839,039</u>	<u>\$34,714,896</u>	<u>\$293,132</u>
Component Unit:				
JeffCo. Workshop	<u>\$69,160</u>	<u>\$63,643</u>	<u>\$0</u>	<u>\$0</u>

General Revenues

Property Taxes Levied for General Purposes
Property Taxes Levied for:
 Mental Health
 Emergency 911
 Tuberculosis/Crippled Child Levy
 Children Services
 Mental Retardation and Developmental Disabilities
 Jail Operating Levy
 Senior Citizens Levy
 Debt Service
Permissive Sales Taxes Levied for General Purposes
Permissive Sales Taxes Levied for:
 Motor Vehicle Gas Tax
 Jail Operating Levy
 Permissive Sheriff
 Debt Service
 Sewer
 Water
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated (Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Primary Government		Component Unit
	Business Type Activities	Total	
(\$3,603,108)	\$0	(\$3,603,108)	\$0
(2,261,064)	0	(2,261,064)	0
(5,471,187)	0	(5,471,187)	0
(2,056,165)	0	(2,056,165)	0
(3,123,570)	0	(3,123,570)	0
(3,244,544)	0	(3,244,544)	0
1,575,901	0	1,575,901	0
(18,880)	0	(18,880)	0
(63,304)	0	(63,304)	0
(1,633,070)	0	(1,633,070)	0
<u>(19,898,991)</u>	<u>0</u>	<u>(19,898,991)</u>	<u>0</u>
0	(635,703)	(635,703)	0
<u>0</u>	<u>633,785</u>	<u>633,785</u>	<u>0</u>
0	(1,918)	(1,918)	0
<u>(19,898,991)</u>	<u>(1,918)</u>	<u>(19,900,909)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(5,517)</u>
1,794,245	0	1,794,245	0
321,386	0	321,386	0
1,239,180	0	1,239,180	0
2,793	0	2,793	0
717,433	0	717,433	0
2,555,198	0	2,555,198	0
1,116,396	0	1,116,396	0
39,270	0	39,270	0
1,095,444	0	1,095,444	0
4,299,136	0	4,299,136	0
2,539,027	0	2,539,027	0
270,432	0	270,432	0
1,648,536	0	1,648,536	0
488,021	0	488,021	0
0	62,960	62,960	0
0	188,881	188,881	0
4,753,685	0	4,753,685	0
229,005	4,110	233,115	31,965
<u>398,262</u>	<u>10,622</u>	<u>408,884</u>	<u>38,514</u>
<u>23,507,449</u>	<u>266,573</u>	<u>23,774,022</u>	<u>70,479</u>
3,608,458	264,655	3,873,113	64,962
<u>73,402,044</u>	<u>27,162,514</u>	<u>100,564,558</u>	<u>1,055,380</u>
<u>\$77,010,502</u>	<u>\$27,427,169</u>	<u>\$104,437,671</u>	<u>\$1,120,342</u>

Jefferson County, Ohio
Balance Sheet
Governmental Funds
December 31, 2004

	General	Public Assistance	Motor Vehicle Gasoline Tax	Mental Health	Mental Retardation Developmental Disabilities
Assets					
Equity in Pooled Cash and Cash Equivalents	\$398,837	\$148,587	\$560,542	\$6,697	\$690,619
Cash and Cash Equivalents in Segregated Accounts	115,581	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	434,335
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	380,280	0	0	0	0
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	0
Investments with Fiscal Agents	42,515	0	97,176	0	0
Receivables:					
Property Taxes	2,174,405	0	0	373,208	3,113,016
Permissive Taxes	745,099	0	433,472	0	0
Accounts	338,968	821,317	114,223	5,866	0
Intergovernmental	1,424,511	0	2,082,305	2,366,503	2,115,663
Interfund	625,088	724,648	624,337	1,450,924	850,902
Accrued Interest	21,128	0	0	0	0
Materials and Supplies Inventory	44,457	18,680	119,658	464	9,043
Prepaid Items	244,529	9,055	21,173	4,274	21,370
<i>Total Assets</i>	<u>\$6,555,398</u>	<u>\$1,722,287</u>	<u>\$4,052,886</u>	<u>\$4,207,936</u>	<u>\$7,234,948</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$111,264	\$108,657	\$225,353	\$297,602	\$34,723
Accrued Wages and Benefits	137,733	98,971	72,689	9,764	169,261
Contracts Payable	0	0	234,232	0	0
Matured Severance Payable	0	0	0	0	0
Interfund Payable	329,433	171,870	88,583	10,948	186,095
Intergovernmental Payable	91,799	865,526	32,186	6,266	118,274
Deferred Revenue	3,457,774	508,660	1,585,132	2,591,244	4,620,426
Accrued Interest Payable	0	0	846	0	0
Notes Payable	0	0	250,000	0	0
<i>Total Liabilities</i>	<u>4,128,003</u>	<u>1,753,684</u>	<u>2,489,021</u>	<u>2,915,824</u>	<u>5,128,779</u>
Fund Balances (Deficit)					
Reserved for Encumbrances	16,858	0	51,571	0	0
Reserved for Endowments	0	0	0	0	0
Reserved for Claimants	380,280	0	0	0	0
Unreserved:					
Designated for Equipment	42,515	0	0	0	0
Undesignated, Reported in:					
General Fund	1,987,742	0	0	0	0
Special Revenue Funds	0	(31,397)	1,512,294	1,292,112	2,106,169
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>2,427,395</u>	<u>(31,397)</u>	<u>1,563,865</u>	<u>1,292,112</u>	<u>2,106,169</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,555,398</u>	<u>\$1,722,287</u>	<u>\$4,052,886</u>	<u>\$4,207,936</u>	<u>\$7,234,948</u>

See accompanying notes to the basic financial statements

Jail Operating Levy	Other Governmental Funds	Total Governmental Funds
\$31,967	\$3,188,021	\$5,025,270
0	63,140	178,721
0	0	434,335
0	0	380,280
0	844,116	844,116
0	85,029	224,720
1,356,836	4,708,433	11,725,898
0	406,384	1,584,955
0	3,577	1,283,951
572,593	3,315,788	11,877,363
4,271	5,007,425	9,287,595
0	0	21,128
12,057	49,870	254,229
0	62,632	363,033
<u>\$1,977,724</u>	<u>\$17,734,415</u>	<u>\$43,485,594</u>
\$191,537	\$281,251	\$1,250,387
78,956	187,676	755,050
0	228,281	462,513
0	12,473	12,473
2,596,916	1,472,951	4,856,796
41,996	101,422	1,257,469
1,575,470	6,768,389	21,107,095
0	0	846
0	0	250,000
<u>4,484,875</u>	<u>9,052,443</u>	<u>29,952,629</u>
0	78,591	147,020
0	844,116	844,116
0	0	380,280
0	0	42,515
0	0	1,987,742
(2,507,151)	5,332,502	7,704,529
0	1,811,204	1,811,204
0	615,559	615,559
<u>(2,507,151)</u>	<u>8,681,972</u>	<u>13,532,965</u>
<u>\$1,977,724</u>	<u>\$17,734,415</u>	<u>\$43,485,594</u>

Jefferson County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2004

Total Governmental Fund Balances	\$13,532,965
 <i>Amounts reported for governmental activities in the statement of net assets are different because:</i>	
Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds	89,632,523
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Taxes	1,472,841
Intergovernmental	8,409,019
Fines and Forfeitures	453,191
Interest	8,597
Charges for Services	1,730
Total	10,345,378
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	(5,115,613)
Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds.	111,777
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	27,959,541
Compensated Absences	2,245,321
Accrued Interest Payable	126,818
Long-Term Notes Payable	508,595
OPWC Loans Payable	55,272
State Infrastructure Bank Loans Payable	209,045
SBC Loan	208,194
SBC Account Payable	67,319
ODOT Contract Payable	47,366
Capital Leases	47,022
Tax Refund	22,035
Total	(31,496,528)
Net Assets of Governmental Activities	\$77,010,502

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, 2004

	General	Public Assistance	Motor Vehicle Gas Tax	Mental Health	Mental Retardation Developmental Disabilities
Revenues					
Property Taxes	\$1,802,393	\$0	\$0	\$323,588	\$2,570,614
Permissive Taxes	4,299,136	0	2,539,027	0	0
Charges for Services	2,267,631	0	0	5,866	222,370
Licenses and Permits	5,387	0	9,092	0	0
Fines and Forfeitures	398,328	0	52,225	0	0
Intergovernmental	2,907,786	7,762,876	4,288,089	5,501,002	5,702,505
Interest	178,219	0	1,342	0	0
Rent	0	0	0	65,590	0
Other	394,315	1,027,288	16,460	11,281	281,215
<i>Total Revenues</i>	<u>12,253,195</u>	<u>8,790,164</u>	<u>6,906,235</u>	<u>5,907,327</u>	<u>8,776,704</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	4,731,228	0	0	0	0
Judicial	3,805,274	0	0	0	0
Public Safety	337,507	0	0	0	0
Public Works	0	0	6,015,101	0	0
Health	232,976	0	0	6,895,889	8,631,355
Human Services	1,016,995	10,181,423	0	0	0
Economic Development and Assistance	0	0	0	0	0
Other	357,299	0	0	0	0
Capital Outlay	0	0	0	0	0
Intergovernmental	49,999	0	0	0	0
Debt Service:					
Principal Retirement	3,276	0	0	0	0
Interest and Fiscal Charges	236	0	846	0	0
Issuance Costs	0	0	0	0	0
<i>Total Expenditures</i>	<u>10,534,790</u>	<u>10,181,423</u>	<u>6,015,947</u>	<u>6,895,889</u>	<u>8,631,355</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,718,405</u>	<u>(1,391,259)</u>	<u>890,288</u>	<u>(988,562)</u>	<u>145,349</u>
Other Financing Sources (Uses):					
General Obligation Bonds Issued	0	0	0	0	0
Premium on General Obligation Bonds Issued	0	0	0	0	0
Inception of Capital Lease	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	(1,922,644)	0	(563,684)	(35,000)	(50,000)
<i>Total Other Financing Sources (Uses)</i>	<u>(1,922,644)</u>	<u>0</u>	<u>(563,684)</u>	<u>(35,000)</u>	<u>(50,000)</u>
<i>Net Change in Fund Balances</i>	(204,239)	(1,391,259)	326,604	(1,023,562)	95,349
<i>Fund Balances (Deficit) Beginning of Year - Restated (Note 3)</i>	<u>2,631,634</u>	<u>1,359,862</u>	<u>1,237,261</u>	<u>2,315,674</u>	<u>2,010,820</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,427,395</u>	<u>(\$31,397)</u>	<u>\$1,563,865</u>	<u>\$1,292,112</u>	<u>\$2,106,169</u>

See accompanying notes to the basic financial statements

Jail Operating Levy	Other Governmental Funds	Total Governmental Funds
\$1,123,003	\$3,109,977	\$8,929,575
270,432	2,136,557	9,245,152
1,850,229	1,983,580	6,329,676
0	375,566	390,045
0	19,012	469,565
507,933	10,525,846	37,196,037
0	45,085	224,646
0	387,801	453,391
0	130,486	1,861,045
<u>3,751,597</u>	<u>18,713,910</u>	<u>65,099,132</u>
0	1,227,891	5,959,119
0	264,140	4,069,414
4,472,542	5,004,300	9,814,349
0	1,492,685	7,507,786
0	305,656	16,065,876
0	5,951,394	17,149,812
0	2,663,978	2,663,978
0	0	357,299
0	42,513	42,513
0	13,305	63,304
0	2,069,206	2,072,482
0	1,336,260	1,337,342
0	111,777	111,777
<u>4,472,542</u>	<u>20,483,105</u>	<u>67,215,051</u>
<u>(720,945)</u>	<u>(1,769,195)</u>	<u>(2,115,919)</u>
0	4,335,000	4,335,000
0	131,512	131,512
0	19,018	19,018
969,634	1,942,930	2,912,564
0	(341,236)	(2,912,564)
<u>969,634</u>	<u>6,087,224</u>	<u>4,485,530</u>
248,689	4,318,029	2,369,611
<u>(2,755,840)</u>	<u>4,363,943</u>	<u>11,163,354</u>
<u>(\$2,507,151)</u>	<u>\$8,681,972</u>	<u>\$13,532,965</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, 2004**

Net Change in Fund Balances - Governmental Funds		\$2,369,611
<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	3,215,722	
Current Year Depreciation	<u>(3,850,758)</u>	
Total		(635,036)
Capital assets removed from the capital asset account on the statement of net assets results in a loss on disposal of capital assets on the statement of activities.		
		(377,967)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund		
Taxes	(48,230)	
Intergovernmental	1,305,256	
Interest	4,359	
Fines and Forfeitures	138,743	
Charges for Services	<u>(4,683)</u>	
Total		1,395,445
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.		
		111,777
General obligation bonds issued and bond premiums are other financing sources in governmental funds, but the issuance increases long-term liabilities on the statement of net assets.		
General Obligation Bonds Issued	(4,335,000)	
Premium on Bonds Issued	<u>(131,512)</u>	
Total		(4,466,512)
Repayments of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities		
General Obligation Bonds	1,685,000	
Long-Term Notes Payable	274,565	
OPWC Loans Payable	6,502	
State Infrastructure Bank Loans Payable	46,994	
SBC Loan Payable	47,778	
SBC Account Payable	(67,319)	
ODOT Contract Payable	(47,366)	
Tax Refund	44,064	
Capital Leases	<u>59,421</u>	
Total		2,049,639
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	806	
Accretion of Interest	<u>(296,534)</u>	
Total		(295,728)
Inception of capital leases are reported as other financing sources in the governmental funds, but the inception increases long term liabilities on the statement of activities		
		(19,018)
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		
		(86,028)
Internal service funds used by management to charge the costs of health insurance and workers' compensation to individual funds is not reported in the statement of activities Governmental fund expenditures and the related internal service funds' revenues are eliminated. The net expenses of the internal service funds are allocated among governmental activities		
		<u>3,562,275</u>
Change in Net Assets of Governmental Activities		<u>\$3,608,458</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, 2004

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final Budget</u>		
<u>Revenues:</u>				
Property Taxes	\$1,912,296	\$1,815,364	\$1,815,364	\$0
Permissive Taxes	4,133,540	4,133,540	4,133,540	0
Charges for Services	2,314,710	2,338,275	2,338,275	0
Licenses and Permits	5,387	5,387	5,387	0
Fines and Forfeitures	465,349	418,287	418,287	0
Intergovernmental	2,465,171	2,855,960	2,855,960	0
Interest	193,883	193,883	193,883	0
Other	387,579	524,864	524,864	0
Total Revenues	<u>11,877,915</u>	<u>12,285,560</u>	<u>12,285,560</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
General Government -				
Legislative and Executive	4,942,591	4,791,738	4,791,665	73
Judicial	3,736,298	3,720,869	3,717,297	3,572
Public Safety	398,344	336,369	336,369	0
Health	234,200	232,787	232,787	0
Human Services	1,035,663	1,023,753	1,023,753	0
Other	389,298	357,299	357,299	0
Intergovernmental	50,000	49,999	49,999	0
Total Expenditures	<u>10,786,394</u>	<u>10,512,814</u>	<u>10,509,169</u>	<u>3,645</u>
Excess of Revenues Over Expenditures	1,091,521	1,772,746	1,776,391	3,645
<u>Other Financing Uses:</u>				
Transfers Out	<u>(1,922,637)</u>	<u>(1,922,644)</u>	<u>(1,922,644)</u>	<u>0</u>
Net Change in Fund Balance	(831,116)	(149,898)	(146,253)	3,645
Fund Balance at Beginning of Year	1,257,661	1,257,661	1,257,661	0
Prior Year Encumbrances Appropriated	<u>21,501</u>	<u>21,501</u>	<u>21,501</u>	<u>0</u>
Fund Balance at End of Year	<u>\$448,046</u>	<u>\$1,129,264</u>	<u>\$1,132,909</u>	<u>\$3,645</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
Public Assistance Fund
For the Year Ended December 31, 2004

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Revenues:</u>				
Intergovernmental	\$11,153,802	\$9,710,519	\$9,710,519	\$0
Other	816,000	1,026,663	1,026,663	0
Total Revenues	<u>11,969,802</u>	<u>10,737,182</u>	<u>10,737,182</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Human Services	<u>11,969,802</u>	<u>10,228,518</u>	<u>10,228,518</u>	<u>0</u>
Net Change in Fund Balance	0	508,664	508,664	0
Fund Balance at Beginning of Year	<u>349,935</u>	<u>349,935</u>	<u>349,935</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$349,935</u></u>	<u><u>\$858,599</u></u>	<u><u>\$858,599</u></u>	<u><u>\$0</u></u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2004

	<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 Taxes	\$2,472,050	\$2,472,050	\$2,472,050	\$0
Licenses and Permits	9,092	9,092	9,092	0
Fines and Forfeitures	60,658	52,225	52,225	0
Intergovernmental	3,261,858	3,731,330	4,138,649	407,319
Interest	1,342	1,342	1,342	0
Other	0	16,460	16,460	0
Total Revenues	<u>5,805,000</u>	<u>6,282,499</u>	<u>6,689,818</u>	<u>407,319</u>
<u>Expenditures:</u>				
Current:				
Public Works	<u>5,331,873</u>	<u>6,280,504</u>	<u>6,661,374</u>	<u>(380,870)</u>
Excess of Revenues Over Expenditures	<u>473,127</u>	<u>1,995</u>	<u>28,444</u>	<u>26,449</u>
<u>Other Financing Sources (Uses):</u>				
Bond Anticipation Notes Issued	0	250,000	250,000	0
Transfers Out	<u>(563,684)</u>	<u>(563,684)</u>	<u>(563,684)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(563,684)</u>	<u>(313,684)</u>	<u>(313,684)</u>	<u>0</u>
Net Change in Fund Balance	(90,557)	(311,689)	(285,240)	26,449
Fund Balance at Beginning of Year	500,452	500,452	500,452	0
Prior Year Encumbrances Appropriated	<u>90,558</u>	<u>90,558</u>	<u>90,558</u>	<u>0</u>
Fund Balance at End of Year	<u>\$500,453</u>	<u>\$279,321</u>	<u>\$305,770</u>	<u>\$26,449</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, 2004

	<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	\$407,000	\$324,602	\$324,602	\$0
Intergovernmental	5,110,807	6,827,547	6,827,547	0
Rent	65,550	80,523	80,523	0
Other	8,000	11,281	11,281	0
Total Revenues	<u>5,591,357</u>	<u>7,243,953</u>	<u>7,243,953</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Health	5,591,357	7,693,342	7,693,342	0
Excess of Revenues Under Expenditures	0	(449,389)	(449,389)	0
<u>Other Financing Use:</u>				
Transfers Out	(35,000)	(35,000)	(35,000)	0
Total Other Financing Uses	<u>(35,000)</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>0</u>
Net Change in Fund Balance	(35,000)	(484,389)	(484,389)	0
Fund Balance at Beginning of Year	1,806,419	1,806,419	1,806,419	0
Fund Balance at End of Year	<u>\$1,771,419</u>	<u>\$1,322,030</u>	<u>\$1,322,030</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation and Developmental Disabilities Fund
For the Year Ended December 31, 2004

	<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	\$3,200,991	\$2,583,438	\$2,583,438	\$0
Charges for Services	221,000	222,370	222,370	0
Intergovernmental	5,144,126	5,894,769	6,092,363	197,594
Other	21,800	263,338	275,503	12,165
Total Revenues	<u>8,587,917</u>	<u>8,963,915</u>	<u>9,173,674</u>	<u>209,759</u>
<u>Expenditures:</u>				
Current:				
Health	8,590,883	8,382,431	8,592,190	(209,759)
Excess of Revenues Over (Under) Expenditures	(2,966)	581,484	581,484	0
<u>Other Financing Use:</u>				
Transfers Out	(50,000)	(50,000)	(50,000)	0
Net Change in Fund Balance	(52,966)	531,484	531,484	0
Fund Balance at Beginning of Year	938,465	938,465	938,465	0
Fund Balance at End of Year	<u>\$885,499</u>	<u>\$1,469,949</u>	<u>\$1,469,949</u>	<u>\$0</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, 2004

	<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	\$1,625,271	\$1,128,728	\$1,128,728	\$0
Permissive Taxes	270,432	270,432	270,432	0
Charges for Services	1,726,845	1,508,813	1,508,813	0
Intergovernmental	0	665,770	665,770	0
Total Revenues	<u>3,622,548</u>	<u>3,573,743</u>	<u>3,573,743</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Public Safety	4,451,825	4,442,421	4,442,421	0
Excess of Revenues Under Expenditures	(829,277)	(868,678)	(868,678)	0
<u>Other Financing Source:</u>				
Transfers In	725,253	969,634	969,634	0
Net Change in Fund Balance	(104,024)	100,956	100,956	0
Fund Balance (Deficit) at Beginning of Year	<u>(2,600,957)</u>	<u>(2,600,957)</u>	<u>(2,600,957)</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u>(\$2,704,981)</u>	<u>(\$2,500,001)</u>	<u>(\$2,500,001)</u>	<u>\$0</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2004

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Sewer	Water	Total	
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$851,369	\$1,940,887	\$2,792,256	\$959
Cash and Cash Equivalents with Fiscal Agents	0	0	0	2,696,914
Investments with Fiscal Agents	4,555	13,666	18,221	0
Receivables:				
Permissive Taxes	10,158	30,475	40,633	0
Accounts	168,547	740,925	909,472	420,757
Intergovernmental	0	36,354	36,354	0
Interfund	0	0	0	5,483,152
Materials and Supplies Inventory	0	11,581	11,581	0
Prepaid Items	0	17,356	17,356	0
Restricted Assets:				
Investments with Fiscal Agents	0	61,863	61,863	0
Total Current Assets	1,034,629	2,853,107	3,887,736	8,601,782
Noncurrent Assets:				
Restricted Assets:				
Investments with Fiscal Agents	0	270,148	270,148	0
Special Assessments Receivable	288,063	0	288,063	0
Deferred Charges	46,928	47,831	94,759	0
Non Depreciable Capital Assets	1,254,305	3,004,829	4,259,134	0
Depreciable Capital Assets, Net	14,608,075	17,760,113	32,368,188	0
Total Noncurrent Assets	16,197,371	21,082,921	37,280,292	0
Total Assets	17,232,000	23,936,028	41,168,028	8,601,782
Liabilities				
Current Liabilities:				
Accounts Payable	15,813	15,592	31,405	0
Accrued Wages and Benefits Payable	6,188	21,232	27,420	0
Contracts Payable	37,411	1,932,852	1,970,263	0
Matured Severance Payable	4,641	0	4,641	0
Compensated Absences Payable	704	2,144	2,848	0
Interfund Payable	7,760	25,672	33,432	9,880,519
Intergovernmental Payable	15,972	112,635	128,607	348,327
Retainage Payable	0	137,403	137,403	0
Claims Payable - Health Benefits	0	0	0	1,089,912
Claims Payable - Workers' Compensation	0	0	0	262,077
Accrued Interest Payable	11,789	21,703	33,492	0
Notes Payable	996,509	121,891	1,118,400	0
Current Portion of General Obligation Bonds Payable	40,000	50,000	90,000	0
Current Portion of OPWC Loans Payable	0	69,379	69,379	0
Current Portion of OWDA Loans Payable	309,024	188,759	497,783	0
Total Current Liabilities	1,445,811	2,699,262	4,145,073	11,580,835
Current Liabilities Payable from Restricted Assets:				
Accrued Interest Payable	0	863	863	0
Current Portion of Revenue Bonds Payable	0	61,000	61,000	0
Total Current Liabilities Payable from Restricted Assets	0	61,863	61,863	0
Long-Term Liabilities (Net of Current Portion):				
Compensated Absences Payable	33,538	37,153	70,691	0
Claims Payable - Workers' Compensation	0	0	0	2,136,560
Notes Payable	0	750,000	750,000	0
General Obligation Bonds Payable	1,843,145	1,882,967	3,726,112	0
OPWC Loans Payable	0	658,046	658,046	0
OWDA Loans Payable	1,885,724	2,337,468	4,223,192	0
Revenue Bond Payable	0	105,882	105,882	0
Total Long-Term Liabilities	3,762,407	5,771,516	9,533,923	2,136,560
Total Liabilities	5,208,218	8,532,641	13,740,859	13,717,395
Net Assets				
Invested in Capital Assets, Net of Related Debt	10,898,051	14,665,348	25,563,399	0
Restricted for:				
Debt Service	224,918	207,403	432,321	0
Replacement and Improvement	0	46,641	46,641	0
Unrestricted (Deficit)	900,813	483,995	1,384,808	(5,115,613)
Total Net Assets (Deficit)	\$12,023,782	\$15,403,387	\$27,427,169	(\$5,115,613)

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, 2004

	<u>Business Type Activities - Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Operating Revenues				
Charges for Services	\$880,155	\$4,768,592	\$5,648,747	\$0
Charges for Services - Health	0	0	0	8,574,898
Charges for Services - Workers' Compensation	0	0	0	1,060,869
Other	1,194	5,186	6,380	0
<i>Total Operating Revenues</i>	<u>881,349</u>	<u>4,773,778</u>	<u>5,655,127</u>	<u>9,635,767</u>
Operating Expenses				
Personal Services	288,993	916,694	1,205,687	0
Contractual Services	410,423	1,949,188	2,359,611	0
Contractual Services - Health	0	0	0	1,138,332
Contractual Services - Workers' Compensation	0	0	0	364,486
Materials and Supplies	15,509	230,728	246,237	0
Claims - Health Benefits	0	0	0	4,761,978
Claims - Workers' Compensation	0	0	0	(168,423)
Depreciation	631,387	900,010	1,531,397	0
Other	0	5,005	5,005	0
<i>Total Operating Expenses</i>	<u>1,346,312</u>	<u>4,001,625</u>	<u>5,347,937</u>	<u>6,096,373</u>
<i>Operating Income (Loss)</i>	<u>(464,963)</u>	<u>772,153</u>	<u>307,190</u>	<u>3,539,394</u>
Non-Operating Revenues (Expenses)				
Permissive Taxes	62,960	188,881	251,841	0
Interest	0	4,110	4,110	0
Interest and Fiscal Charges	(169,546)	(270,393)	(439,939)	0
Other Non-Operating Revenues	0	4,242	4,242	22,881
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(106,586)</u>	<u>(73,160)</u>	<u>(179,746)</u>	<u>22,881</u>
<i>Income (Loss) Before Contributions</i>	<u>(571,549)</u>	<u>698,993</u>	<u>127,444</u>	<u>3,562,275</u>
Capital Contributions	0	137,211	137,211	0
<i>Change in Net Assets</i>	<u>(571,549)</u>	<u>836,204</u>	<u>264,655</u>	<u>3,562,275</u>
<i>Net Assets (Deficit) Beginning of Year - Restated (Note 3)</i>	<u>12,595,331</u>	<u>14,567,183</u>	<u>27,162,514</u>	<u>(8,677,888)</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$12,023,782</u>	<u>\$15,403,387</u>	<u>\$27,427,169</u>	<u>(\$5,115,613)</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2004

	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	\$870,120	\$4,688,369	\$5,558,489	\$0
Cash Received from Customers and Users - Health Benefits	0	0	0	8,574,899
Cash Received from Customers and Users - Workers' Compensation	0	0	0	1,194,695
Cash Payments for Employee Services and Benefits	(279,908)	(916,384)	(1,196,292)	0
Cash Payments for Goods and Services	(383,298)	(2,180,182)	(2,563,480)	(1,592,736)
Cash Payments for Claims - Health Benefits	0	0	0	(6,253,792)
Cash Payments for Claims - Workers' Compensation	0	0	0	(333,272)
Other Operating Revenues	1,194	5,186	6,380	479,113
Other Operating Expenses	0	(5,005)	(5,005)	0
Other Non-Operating Revenues	0	4,242	4,242	22,881
<i>Net Cash Provided by Operating Activities</i>	<u>208,108</u>	<u>1,596,226</u>	<u>1,804,334</u>	<u>2,091,788</u>
Cash Flows from Noncapital Financing Activities				
Interfund Loan	0	0	0	606,085
Permissive Taxes	56,724	170,172	226,896	0
Transfers In	0	0	0	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>56,724</u>	<u>170,172</u>	<u>226,896</u>	<u>606,085</u>
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(118,553)	(1,251,664)	(1,370,217)	0
Bond Anticipation Notes Issued	950,000	750,000	1,700,000	0
General Obligation Bonds Issued	1,820,000	1,855,000	3,675,000	0
EPA Loans Issued	0	105,882	105,882	0
Tap-In Fees	0	29,800	29,800	0
Special Assessments	30,296	0	30,296	0
Capital Grants	0	243,715	243,715	0
Premium on Bonds Issued	63,145	77,967	141,112	0
Bond Issuance Costs	(46,928)	(47,831)	(94,759)	0
Principal Paid on Debt	(2,759,285)	(3,697,992)	(6,457,277)	0
Interest and Fiscal Charges Paid on Debt	(165,630)	(271,283)	(436,913)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(226,955)</u>	<u>(2,206,406)</u>	<u>(2,433,361)</u>	<u>0</u>
Cash Flows from Investing Activities				
Interest	0	20,704	20,704	0
Purchase of Investments	0	(7,210)	(7,210)	0
Sale of Investments	4,498	0	4,498	0
<i>Net Cash Provided by Investing Activities</i>	<u>4,498</u>	<u>13,494</u>	<u>17,992</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	42,375	(426,514)	(384,139)	2,697,873
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>808,994</u>	<u>2,367,401</u>	<u>3,176,395</u>	<u>0</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$851,369</u>	<u>\$1,940,887</u>	<u>\$2,792,256</u>	<u>\$2,697,873</u>

(Continued)

**Jefferson County, Ohio
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2004**

	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)	(\$464,963)	\$772,153	\$307,190	\$3,539,394
Adjustments:				
Depreciation	631,387	900,010	1,531,397	0
Non-Operating Revenues	0	4,242	4,242	22,881
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(10,035)	(80,223)	(90,258)	(420,757)
Decrease in Interfund Receivable	0	0	0	133,826
Increase in Materials and Supplies Inventory	0	(11,363)	(11,363)	0
Increase (Decrease) in Accounts Payable	5,495	(74,028)	(68,533)	0
Increase in Accrued Wages and Benefits Payable	915	3,854	4,769	0
Increase (Decrease) in Compensated Absences Payable	3,694	(2,534)	1,160	0
Increase in Matured Severance Payable	4,641	0	4,641	0
Increase in Contracts Payable	37,411	115,460	152,871	0
Decrease in Interfund Payable	(202)	(3,829)	(4,031)	0
Decrease in Claims Payable - Health Benefits	0	0	0	(591,945)
Decrease in Claims Payable - Workers' Compensation	0	0	0	(501,695)
Decrease in Intergovernmental Payable	(235)	(27,516)	(27,751)	(89,916)
<i>Net Cash Provided by Operating Activities</i>	<u>\$208,108</u>	<u>\$1,596,226</u>	<u>\$1,804,334</u>	<u>\$2,091,788</u>

Noncash Activities:

During 2004, the County recorded a decrease in the fair value of investments of \$18,844 in the Water Enterprise Fund. There was a \$36,354 receivable for a capital grant recorded in the water fund at December 31, 2004.

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2004

Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,725,922
Cash and Cash Equivalents in Segregated Accounts	322,926
Receivables:	
Property Taxes	43,867,559
Accounts	1,109,371
Special Assessments	260,082
Intergovernmental	<u>4,549,910</u>
<i>Total Assets</i>	<u><u>\$52,835,770</u></u>
Liabilities	
Intergovernmental Payable	\$49,558,474
Undistributed Monies	<u>3,277,296</u>
<i>Total Liabilities</i>	<u><u>\$52,835,770</u></u>

See accompanying notes to the basic financial statements

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Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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 Children's Services Board (see subsequent events note 25), the Board of Mental Retardation and Developmental Disabilities, the Department of Job and Family Services, the Prevention and Recovery Board, the Veteran's Service Commission, the Regional Airport Authority, the Jefferson County Water and Sewer Districts, and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations for which the County approves the budget, the issuance of debt or the levying of taxes or organizations whose exclusion would cause the report to be incomplete.

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

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

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

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

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

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

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

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

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

Jefferson County Regional Planning Commission

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

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

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

The Jefferson Metropolitan Housing Authority
Jefferson Community College

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

The County's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities. The statement of net assets presents the financial condition of the governmental and business-type activities of the County at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program

Jefferson County, Ohio
Notes to the Basic Financial Statements
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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.

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
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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 sanitary sewer 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 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

Jefferson County, Ohio
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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.

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Property taxes for which there is an enforceable legal claim as of December 31, 2003, but which were levied to finance year 2004 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 2004 upon which the final appropriations were passed.

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

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 2004, investments were limited to United States Treasury Notes, money market mutual funds, mutual funds and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating 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

Jefferson County, Ohio
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required to be credited to a specific fund. Interest revenue credited to the general fund during 2004 amounted to \$178,219, which includes \$121,646 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 Permissive Sheriff and Jail Operating 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 retardation/developmental disabilities, public assistance and mental health major funds, other non major governmental funds and the Self Insurance - Workers' Compensation Internal Service Fund.

G. Restricted Assets

Certain resources set aside for the repayment of enterprise fund revenue bonds and for the replacement and improvement of enterprise fund capital assets acquired through the issuance of revenue bonds are classified as restricted assets on the statement of fund net assets because their use is limited by applicable bond covenants. Special assessments receivable have been presented as restricted assets as their use is limited by the authorizing legislation. Restricted assets have also been reported for investments held by a fiscal agent that are held in trust for the benefit of the County Children's Home and for unclaimed monies.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2004, 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,

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

including infrastructure acquired prior to the implementation of GASB Statement 34. All reported capital assets are depreciated except for land and construction in process. 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
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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, tax refunds, 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, bond premium and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recorded as deferred charges and amortized over the term of the related debt.

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

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

O. Fund Balance Reserves

The County reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, claimants, and endowments. Under Ohio law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years. The reserves for endowments are for cash and cash equivalents 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 Mental Health, Mental Retardation and Developmental Disabilities, Motor Vehicle and

Jefferson County, Ohio
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For the Year Ended December 31, 2004

Gasoline Tax and the Tuberculosis/Crippled Child Levy special revenue funds. Of the restricted net assets, the portion that has resulted from enabling legislation is \$2,240,875.

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

R. Operating Revenues and Expenses

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

S. Capital Contributions

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

T. Interfund Activity

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

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

U. Extraordinary and Special Items

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

V. Estimates

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

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

Change in Accounting Principle – For the year ended December 31, 2004, the County implemented GASB Statement 39 “Determining Whether Certain Organizations are Component Units”, GASB Technical Bulletin 2004-2, “Recognition of Pension and Other Postemployment Benefit

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Expenditures/Expenses and Liabilities by Cost-Sharing Employers”, and has early-implemented GASB Statement 46, “Net Assets Restricted by Enabling Legislation”. This statement requires disclosure of net asset balances restricted by enabling legislation. At December 31, 2004, GASB 39 and GASB Technical Bulletin 2004-2 had no effect on fund balances. At December 31, 2004 the net asset balances restricted by enabling legislation are disclosed in Note 2, Summary of Significant Accounting Policies.

Change in Accounting Estimate - During 2004, the reserving system for the actuarial calculation of the workers’ compensation claims payable was changed from the tabular to MIRA reserving. This change caused a significant difference in the actuarial estimate for claims payable from December 31, 2003 to December 31, 2004. This is a prospective change which caused a negative claims expense in the self insurance – workers’ compensation fund during 2004.

Restatement of Fund Balances There is a restatement for cash and cash equivalents held with fiscal agents in the Childrens Service nonmajor fund for trust accounts that were previously not recorded. There is also a restatement for a bond anticipation note and the corresponding accrued interest payable that had previously been reported in the permanent improvement nonmajor capital projects fund, but should have been recorded in the water and sewer major enterprise funds. A restatement was also made for an OPWC loan that had been previously been recorded as a grant rather than a loan. During 2004, the Jail Construction capital projects fund became a nonmajor fund, and we are therefore presenting the prior year fund balance as nonmajor for comparability between years. The effect on governmental fund balance, enterprise fund net assets, governmental activities net assets, and business type net assets is as follows:

	Nonmajor Funds
Fund Balances, December 31, 2003	\$7,356,242
Cash and Cash Equivalents with Fiscal Agents - Trust	866,046
Notes Payable Restatement	392,155
Accrued Interest Payable Restatement	1,083
Jail Construction Fund (Nonmajor at December 31, 2004)	(4,251,583)
Restated Fund Balances, December 31, 2003	\$4,363,943

	Sewer	Water
Net Assets, December 31, 2003	\$12,878,233	\$14,717,519
Notes Payable Restatement	(282,122)	(110,033)
OPWC Loan Restatement	0	(40,000)
Accrued Interest Payable Restatement	(780)	(303)
Restated Net Assets, December 31, 2003	\$12,595,331	\$14,567,183

Jefferson County, Ohio
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For the Year Ended December 31, 2004

	Governmental Activities	Business Type Activities
Net Assets, December 31, 2003	\$72,142,760	\$27,595,752
Cash and Cash Equivalents with Fiscal Agents - Trust	866,046	0
Notes Payable Restatement	392,155	(392,155)
OPWC Loan Restatement	0	(40,000)
Accrued Interest Payable Restatement	1,083	(1,083)
	\$73,402,044	\$27,162,514
Restated Net Assets, December 31, 2003		

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the general and major special revenue funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

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

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Net Change in Fund Balances
General and Major Special Revenue Funds

	General	Public Assistance	MVGT	Mental Health	MRDD	Jail Operating Levy
GAAP Basis	(\$204,239)	(\$1,391,259)	\$326,604	(\$1,023,562)	\$95,349	\$248,689
Net Adjustment for Revenue Accruals	297,808	1,947,018	(216,417)	1,342,293	902,909	(145,886)
Bond Anticipation Notes Issued	0	0	250,000	0	0	0
Unrecorded Cash	(115,581)	0	0	0	(434,335)	0
Agency Fund Cash Allocation	(149,862)	0	0	(5,667)	(71,604)	(31,968)
Net Adjustment for Expenditure Accruals	42,479	(47,095)	(390,655)	(797,453)	39,165	30,121
Encumbrances	(16,858)	0	(254,772)	0	0	0
Budget Basis	(\$146,253)	\$508,664	(\$285,240)	(\$484,389)	\$531,484	\$100,956

NOTE 5 - ACCOUNTABILITY AND COMPLIANCE

A. Fund Deficits

The following funds had a deficit fund balance or deficit net assets as of December 31, 2004:

	<u>Deficit Fund Balance</u>	<u>Deficit Net Assets</u>
<u>Special Revenue Funds:</u>		
Public Assistance	\$31,397	
Permissive Sheriff	287,402	
Jail Operating Levy	2,507,151	
<u>Internal Service Fund:</u>		
Self Insurance - Health		\$7,852,760

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 fund, the County Commissioners have authorized a fifteen year repayment plan which includes increased monthly premium charges and changes to the plan guidelines.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

B. Legal Compliance:

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

	<u>Excess</u>
<u>Special Revenue Fund:</u>	
MVGT	
Public Works	
Capital Outlay	\$401,819

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

The Permissive Sheriff and Jail Operating Levy special revenue funds and the Self Insurance - Health internal service 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.

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

1. United States Treasury Bills, Notes, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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;
 - 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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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.

Cash on Hand At year-end, the County had \$11,117 in undeposited cash on hand which is included on the Balance Sheet of the County as part of Cash and Cash Equivalents.

Deposits At year-end, the carrying amount of the County's deposits was \$11,238,469 and the bank balance was \$12,579,422. Of the bank balance:

1. \$308,478 was covered by federal depository insurance,
2. \$12,270,944 was considered uninsured and uncollateralized even though securities for collateral were held by the pledging financial institutions' trust department in the County's name and all State statutory requirements for the deposit of money had been followed. Non-compliance with federal requirements would potentially subject the County to a successful claim by the FDIC.

At December 31, 2004, the County's MRDD special revenue fund had a cash balance of \$434,335 with MEORC. The money is held by MEORC in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 3. The classification of cash and cash equivalents and investments for MEORC as a whole may be obtained from their audit report. To obtain financial information, write to the Mid East Ohio Regional Council, Cathy Henthorn, who serves as Associate Director of Business, 160 Columbus Road, Mt. Vernon, Ohio 43050.

At December 31, 2004, the County's Self Insurance – Health internal service fund had a \$2,696,914 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 classified by risk under GASB Statement 3. The classification of cash and cash equivalents and investments 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.

Investments GASB Statement No. 3 entitled "Deposits With Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements" requires the County investments to be categorized to give an indication of the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the County's name.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

	Category 3	Fair Value
U.S. Treasury Notes	574,952	574,952
Money Market Mutual Funds	0	1,020,864
Total	\$574,952	\$1,595,816

Investments in open-end mutual funds are not categorized by risk because they are not evidenced by securities that exist in physical or book entry form.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9 entitled "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting"

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$15,401,699	\$574,952
Undeposited Cash	(11,117)	0
Cash Held by OME-RESA	(2,696,914)	0
Cash Held by MEORC	(434,335)	0
Money Market Mutual Funds	(1,020,864)	1,020,864
GASB Statement 3	\$11,238,469	\$1,595,816

NOTE 7 - PROPERTY TAXES

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

2004 real property taxes are levied after October 1, 2004, on the assessed value as of January 1, 2004, the lien date. Assessed values are established by the State Law at 35 percent of appraised market value. 2004 real property taxes are collected in and intended to finance 2005.

Public utility tangible personal property currently is assessed at varying percentages of true collected value; public utility real property is assessed at 35 percent of true value. 2004 public utility property taxes became a lien December 31, 2003, are levied after October 1, 2004, and are collected in 2005 with real property taxes.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

2004 tangible personal property taxes are levied after October 1, 2003, on the value as of December 31, 2003. Collections are made in 2004. Tangible personal property assessments are 25 percent of true value, and 23 percent for inventory.

The full tax rate for all County operations for the year ended December 31, 2004, was 10.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2004 property tax receipts were based are as follows:

Real Property	\$773,709,490
Public Utility Personal Property	208,000,650
Tangible Personal Property	<u>143,704,645</u>
Total Assessed Property Value	<u><u>\$1,125,414,785</u></u>

Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits later payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable September 20.

The County treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2004 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 2004 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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, 2004, 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. Special assessments relating to the payment of debt are not expected to be collected within one year. The amount not scheduled for collection during the subsequent year is \$257,546. The County has \$19,094 in delinquent special assessments at December 31, 2004. During 2004 the County experienced substantial flooding which resulted in significant road slip repairs which do not meet the County's capitalization criteria. Due to this flooding, there are substantial Federal Emergency Management Agency grants receivable. The costs associated with the repairs are reported as public works expenses and the FEMA grants are recorded as operating grants program revenue. A summary of the principal items of intergovernmental receivables follows:

Governmental Activities	
Jail Operating Levy - Detention	\$341,416
Indigent Fee Reimbursement	30,529
Homestead/Rollback and SB 3 Reimbursement	1,530,142
Local Government Funding	1,092,054
Motor Vehicle License and Gas Tax	2,082,305
Miscellaneous Local Fund Grants	70,210
Mental Health Fund Grants	2,298,682
Court/Corrections Fund Grants	365,725
Permissive Sheriff Fund Grants	41,660
Children Services Fund Grants	647,647
MRDD Fund Grants	1,608,851
Jail Operating Levy Fund Grants	12,543
CDBG Fund Grants	1,024,494
FEMA Fund Grants	<u>731,105</u>
 Total	 <u><u>\$11,877,363</u></u>

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 10 - CAPITAL ASSETS

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

	Balance 12/31/2003	Additions	Reductions	Balance 12/31/2004
<u>Governmental Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$3,892,015	\$86,282	\$0	\$3,978,297
Construction in Progress	1,486,859	1,449,247	(273,953)	2,662,153
Total Non Depreciable Capital Assets	5,378,874	1,535,529	(273,953)	6,640,450
Depreciable Capital Assets:				
Buildings and Improvements	40,315,638	12,682	0	40,328,320
Machinery and Equipment	9,940,794	233,453	(86,329)	10,087,918
Infrastructure	66,627,471	1,346,670	(529,843)	67,444,298
Vehicles	2,123,787	87,388	(23,301)	2,187,874
Total Depreciable Capital Assets	119,007,690	1,680,193	(639,473)	120,048,410
Accumulated Depreciation:				
Buildings and Improvements	(10,142,135)	(1,038,615)	0	(11,180,750)
Machinery and Equipment	(5,609,550)	(875,411)	69,965	(6,414,996)
Infrastructure	(16,594,393)	(1,805,563)	387,860	(18,012,096)
Vehicles	(1,394,960)	(131,169)	77,634	(1,448,495)
Total Accumulated Depreciation	(33,741,038)	(3,850,758)	535,459	(37,056,337)
Total Depreciable Capital Assets, Net	85,266,652	(2,170,565)	(104,014)	82,992,073
Governmental Capital Assets, Net	\$90,645,526	(\$635,036)	(\$377,967)	\$89,632,523

*Depreciation expense was charged to governmental activities as follows:

<u>Governmental Activities:</u>	
General Government:	
Legislative and Executive	\$135,033
Judicial	127,921
Public Safety	1,062,741
Public Works	1,933,953
Health	247,336
Human Services	209,907
Economic Development and Assistance	114,987
Conservation and Recreation	18,880
Total Depreciation Expense	\$3,850,758

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

	Balance 12/31/2003	Additions	Reductions	Balance 12/31/2004
<u>Business Type Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$264,700	\$15,000	\$0	\$279,700
Construction in Progress	2,085,122	2,602,703	(708,391)	3,979,434
Total Non Depreciable Capital Assets	<u>2,349,822</u>	<u>2,617,703</u>	<u>(708,391)</u>	<u>4,259,134</u>
Depreciable Capital Assets:				
Buildings and Improvements	749,528	0	0	749,528
Machinery and Equipment	1,130,502	10,900	0	1,141,402
Infrastructure	55,944,657	1,245,016	0	57,189,673
Vehicles	65,402	0	0	65,402
Total Depreciable Capital Assets	<u>57,890,089</u>	<u>1,255,916</u>	<u>0</u>	<u>59,146,005</u>
Accumulated Depreciation:				
Buildings and Improvements	(331,016)	(19,812)	0	(350,828)
Machinery and Equipment	(584,446)	(74,470)	0	(658,916)
Infrastructure	(24,273,022)	(1,429,649)	0	(25,702,671)
Vehicles	(65,402)	0	0	(65,402)
Total Accumulated Depreciation	<u>(25,253,886)</u>	<u>(1,523,931)</u>	<u>0</u>	<u>(26,777,817)</u>
Total Depreciable Capital Assets, Net	<u>32,636,203</u>	<u>(268,015)</u>	<u>0</u>	<u>32,368,188</u>
Business Type Capital Assets, Net	<u>\$34,986,025</u>	<u>\$2,349,688</u>	<u>(\$708,391)</u>	<u>\$36,627,322</u>

During 2004 there was a loss on disposal of capital assets in the amount of \$7,466 that was netted with depreciation expense bringing the total depreciation expense during 2004 to \$1,531,397.

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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

Liability:		
General	\$1,000,000	Each Occurrence
Law Enforcement	1,000,000	Each Occurrence
Auto	1,000,000	Each Occurrence
Errors and Omissions	1,000,000	Each Occurrence
Stop Gap	1,000,000	
Medical Professional	6,000,000	
Foster Parents	6,000,000	
Excess	5,000,000	
Property:		
Property	103,104,114	Replacement Cost Value
Equipment Breakdown	100,000,000	Replacement Cost Value
Crime	1,000,000	Each Occurrence
Newly Acquired Location	5,000,000	
Contractor's Equipment	Actual Cash Value	
Property in Transit	100,000	Each Occurrence
Extra Expense Business		
Interruption	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	\$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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

The County's Prosecutors Office has the following coverage through NDAA Lawyers Professional Services:

<u>Type of Coverage</u>	<u>Amount</u>	<u>Deductible Per Claim</u>	<u>Limits</u>
Professional Liability	\$100,000	\$1,250	\$300,000
Personal Injury Liability	\$100,000	\$1,250	\$300,000
Disciplinary Cost of Defense	\$10,000	\$500	\$10,000
Criminal Defense	\$75,000	\$500	\$75,000
Punitive Damage	\$50,000	\$500	\$50,000

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's third-party administrator for the insurance program for January 2004 was Sentry Administrative Services, and from February through December 2004 the County participated in the OME-RESA self-insurance consortium. OME-RESA 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 \$1,089,912 for health insurance and \$2,398,637 for workers' compensation reported in the self insurance – health and self-insurance – workers' compensation internal service funds, respectively at December 31, 2004 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:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Program	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
Self Insurance - Health				
2003	\$2,080,143	8,544,818	8,943,104	\$1,681,857
2004	1,681,857	4,761,978	5,353,923	1,089,912
Self Insurance - Workers' Compensation				
2003	2,326,588	762,986	189,242	2,900,332
2004	2,900,332	(168,423)	333,272	2,398,637

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System:

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

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

For the year ended December 31, 2004, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The County's contribution rate for pension benefits for 2004 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2004, 2003, and 2002 were \$2,941,130, \$2,961,673, and \$2,521,289 respectively; 88.37 percent has been contributed for 2004 and 100 percent for 2003 and 2002. Contributions to the member-directed plan for 2004 were \$8,873 made by the County and \$5,566 made by the plan members.

B. State Teachers Retirement System (STRS):

Certified teachers employed by the school for the Board of Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS Ohio), a cost-sharing, multiple-employer public employee retirement system. STRS Ohio provides retirement and disability benefits to members and death and survivor benefits to beneficiaries. STRS Ohio issues a stand-alone financial report that may be obtained by writing to STRS Ohio, 275 E. Broad St., Columbus, OH 43215-3371 or by calling (614) 227-4090, or by visiting the STRS Ohio Web site at www.strs.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

For the fiscal year ended June 30, 2004, plan members were required to contribute 10 percent of their annual covered salaries. The County was required to contribute 14 percent; 13 percent was the portion used to fund pension obligations. For fiscal year 2003, the portion used to fund pension obligations was also 13 percent. Contribution rates are established by the State Teachers Retirement Board, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. Chapter 3307 of the Ohio Revised Code provides statutory authority for member and employer contributions.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

The County's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2004, 2003, and 2002 were \$102,516, \$106,845, and \$105,800 respectively; 100 percent has been contributed for fiscal years 2004, 2003 and 2002. No contributions were made to the DC and Combined Plans for fiscal year 2004 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 recipients and primary survivor 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 2004 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 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, 2003, include a rate of return on investments of 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually.

The number of active contributing participants in the traditional and combined plans was 369,885. Actual employer contributions for 2004 which were used to fund postemployment benefits were \$868,230. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2003, (the latest information available) were \$10.5 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$26.9 billion and \$16.4 billion, respectively.

Jefferson County, Ohio
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For the Year Ended December 31, 2004

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.

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, 2004, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$7,221 for fiscal year 2004.

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

NOTE 14 – COMPENSATED ABSENCES

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

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for copying equipment, office equipment and vehicles. During 2004, the County entered into an additional capital lease for a juvenile court vehicle. 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 \$205,165, 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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

accumulated depreciation in the amount of \$118,581. Principal payments towards capital leases during 2004 totaled \$59,421 for governmental activities.

Future minimum lease payments through 2007 are as follows:

Year	Governmental Activities	
	Principal	Interest
2005	\$38,136	\$1,656
2006	8,321	219
2007	565	0
Total	\$47,022	\$1,875

NOTE 16 - CONSTRUCTION COMMITMENTS

As of December 31, 2004, the County had the following contractual purchase commitments:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Project	Fund	Purchase Commitment	Amounts Paid as of 12/31/2004	Amounts Remaining on Contracts
<u>Capital:</u>				
Toronto Waterline Connector	Water	\$8,500,000	\$829,156	\$7,670,844
Wintersville PRV Project	Water	75,000	427	74,573
Brilliant Water Tank Rehabilitation Project	Water	418,813	418,813	0
Co. Road 56 Waterline Ext.	Water	158,580	158,580	0
Norton Hill Pump Station	Water	629,687	629,687	0
M Booster Waterline Extension	Water	123,500	0	123,500
Co. Road 53 Waterline Ext.	Water	184,500	0	184,500
St. Route 646 Waterline Ext.	Water	1,100,000	9,093	1,090,907
Bergholz Waterline Ext.	Water	1,085,000	0	1,085,000
Crestview-Belvedere Sanitary Sewer	Sewer	5,500,000	1,047,561	4,452,439
Sunshine Park Sanitary Sewer	Sewer	5,100,000	122,233	4,977,767
Package Plant Improvements	Sewer	250,000	201	249,799
Barbers Hollow Wastewater Treatment Plant	Sewer	400,000	0	400,000
Overlook Hills Sanitary Sewer	Sewer	45,000	0	45,000
Airpark Runway Project	Miscellaneous Local	2,652,008	2,316,254	335,754
E-911 Building Project	Miscellaneous Local	1,500,000	0	1,500,000
Co. Road 1 Guardrail Project	MVGT	346,000	0	346,000
Co. Road 17 Engineering Design	MVGT	66,921	9,036	57,885
Co. Road 7F Bridge Project	MVGT	718,026	40,001	678,025
Total Capital Construction Commitments		28,853,035	5,581,042	23,271,993
<u>Non-Capital:</u>				
GIS Project	Miscellaneous Local	700,000	324,707	375,293
Total Commitments		\$29,553,035	\$5,905,749	\$23,647,286

NOTE 17 - LONG-TERM LIABILITIES

Changes in the County's long-term liabilities during 2004 consist of the following:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

	Outstanding 12/31/2003	Additions	Reductions	Outstanding 12/31/2004	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds					
Jail Construction - 1995, \$3,540,000					
Term @ 6.625%	\$850,000	\$0	\$410,000	\$440,000	\$440,000
Jail Construction Refunding - 1998, \$10,657,219					
Serial/Term - \$10,020,000 @ 3.75%-5.75%	8,625,000	0	235,000	8,390,000	245,000
CAB - \$637,219 @ 4.7%-5.0%	637,219	0	0	637,219	0
Accretion on CAB - \$2,997,781 @ 17.2%	974,276	296,534	0	1,270,810	0
Various Purpose/Refunding - 1998, \$17,760,000					
Human Services Refunding - \$2,515,000					
Serial/Term @ 3.75%-5.70%	1,985,000	0	195,000	1,790,000	190,000
Jail Construction Additional - \$7,180,000					
Serial/Term @ 3.75%-5.70%	6,080,000	0	320,000	5,760,000	315,000
Emergency 911 - \$2,590,000					
Serial/Term @ 3.75%-5.70%	1,205,000	0	285,000	920,000	285,000
Engineer Road Projects - \$5,475,000					
Serial/Term @ 3.75%-5.70%	4,525,000	0	240,000	4,285,000	230,000
Various Purpose - 2004, \$8,010,000					
Jail Construction - 2004, \$4,335,000					
Serial/Term @ 2.0%-5.375%	0	4,335,000	0	4,335,000	10,000
Premium - \$131,512	0	131,512	0	131,512	0
Total General Obligation Bonds	24,881,495	4,763,046	1,685,000	27,959,541	1,715,000
Long Term Notes Payable					
Engineer Vehicles - 2000, \$324,045 @ 5.33%	86,489	0	86,489	0	0
GIS - 2001, \$700,000 @ 4.87%	439,774	0	139,721	300,053	146,489
Airpark Jet Fuel Tank - 2001, \$198,000 @ 4.50%	171,600	0	13,200	158,400	13,200
Airpark Hangers - 1998, \$255,368 @ 5.10%	85,297	0	35,155	50,142	37,862
Total Long Term Notes Payable	783,160	0	274,565	508,595	197,551
State Infrastructure Bank Loan					
Airpark Land - 1998, \$370,000 @ 4.25%	256,039	0	46,994	209,045	49,012
OPWC Loan					
Road Resurfacing - 1992, \$130,046 @ 0%	61,774	0	6,502	55,272	6,502
Capital Leases	87,425	19,018	59,421	47,022	38,136
Workers' Compensation Claims Payable	2,900,332	(168,423)	333,272	2,398,637	262,077
Tax Refund	66,099	0	44,064	22,035	22,035
Contract Payable	0	63,154	15,788	47,366	31,576
Account Payable	0	84,149	16,830	67,319	16,830
SBC Loan Payable	255,972	0	47,778	208,194	50,348
Compensated Absences	2,159,293	2,203,668	2,117,640	2,245,321	155,125
Total Governmental Activities	\$31,451,589	\$6,964,612	\$4,647,854	\$33,768,347	\$2,544,192

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

	Outstanding 12/31/2003	Additions	Reductions	Outstanding 12/31/2004	Amounts Due Within One Year
<u>Business Type Activities:</u>					
<i>Mortgage Revenue Bonds</i>					
<i>Water Improvement Revenue - 1965</i>					
\$1,360,000 @ 4.00%	\$132,000	\$0	\$71,000	\$61,000	\$61,000
<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%	0	1,855,000	0	1,855,000	50,000
"Net" Premium - \$77,967	0	77,967	0	77,967	0
<i>Sewer Projects - \$1,470,000</i>					
Serial/Term @ 2.0%-5.375%	0	1,470,000	0	1,470,000	25,000
"Net" Premium - \$42,082	0	42,082	0	42,082	0
<i>Tidd-Dale/Hazelwood Sewer Projects - \$350,000</i>					
Serial/Term @ 2.0%-5.375%	0	350,000	0	350,000	15,000
"Net" Premium - \$21,063	0	21,063	0	21,063	0
Total General Obligation Bonds	0	3,816,112	0	3,816,112	90,000
<i>OWDA Loans</i>					
Water - 1989, \$4,181,879 @ 7.0%	2,701,182	0	174,955	2,526,227	188,759
George's Run Sewer - 1986, \$709,116 @ 2.0%	326,258	0	29,796	296,462	30,392
Reed's Mills/Barbers Hollow Treatment Plant 1990, \$4,708,811 @ 5.0%	2,163,492	0	265,206	1,898,286	278,632
Total OWDA Loans	5,190,932	0	469,957	4,720,975	497,783
<i>OPWC Loans</i>					
Airpark Water - 1993, \$178,000 @ 0%	93,450	0	8,900	84,550	8,900
Water Rehabilitation - 1995, \$329,744 @ 0%	241,812	0	21,983	219,829	21,983
Water Tank - 1995, \$40,000 @ 0%	40,000	0	4,000	36,000	8,000
Piney Fork Waterline - 1998, \$195,000 @ 0%	170,625	0	10,050	160,575	9,750
Norton Hill, Empire - 1998, \$113,589 @ 0%	96,551	0	5,679	90,872	5,679
Water Rehabilitation - 1997, \$226,000 @ 0%	150,666	0	15,067	135,599	15,067
Total OPWC Loans	793,104	0	65,679	727,425	69,379
<i>Ohio EPA Loan Payable</i>					
<i>Toronto Waterline Connector Project</i>					
2004, \$7,888,745 @ 3.35%	0	105,882	0	105,882	0
<i>Long Term Notes Payable</i>					
<i>Water Project - 2004, \$750,000 @ 2.10%</i>					
	750,000	750,000	750,000	750,000	0
<i>Compensated Absences</i>					
	72,379	70,445	69,285	73,539	2,848
Total Business Type Activities	\$6,938,415	\$4,742,439	\$1,425,921	\$10,254,933	\$721,010

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Governmental Activities:

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

Principal and interest requirements to retire the 1995 Jail Construction Bonds outstanding at December 31, 2004 are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Principal</u>	<u>Interest</u>
2005	<u>\$440,000</u>	<u>\$29,150</u>

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

The term bonds mature in the year 2019 and are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, in each of the years 2013 through 2018 (with the balance of \$1,115,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Date</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
2013	\$800,000
2014	850,000
2015	895,000
2016	940,000
2017	1,000,000
2018	<u>1,055,000</u>
	<u>\$5,540,000</u>

The capital appreciation bonds were sold at a discount of \$2,997,781, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2006 through 2010. The maturity amount of the capital appreciation bonds is \$3,635,000. The accretion recorded for 2004 was \$296,534, for a total bond liability of \$1,908,029.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Principal and interest requirements to retire the 1998 Jail Construction Refunding Bonds outstanding at December 31, 2004 are as follows:

Year Ending December 31	Serial and Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Accretion/ Interest
2005	\$245,000	\$466,958	\$0	\$0
2006	0	456,055	173,171	556,829
2007	0	456,055	145,827	579,173
2008	0	456,056	124,494	605,506
2009	0	456,055	193,727	620,165
2010-2014	3,140,000	2,051,966	0	636,108
2015-2019	5,005,000	895,276	0	0
Totals	<u>\$8,390,000</u>	<u>\$5,238,421</u>	<u>\$637,219</u>	<u>\$2,997,781</u>

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

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

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

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

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

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

The term bonds mature in the year 2013 and are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, in each of the years 2011 through 2012 (with the balance of \$1,010,000 to be paid at stated maturity on December 1, 2013) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

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

The term bonds mature in the year 2017 and are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, in each of the years 2014 through 2016 (with the balance of \$1,020,000 to be paid at stated maturity on December 1, 2017) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

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

Principal and interest requirements to retire the 1998 Various Purpose Improvement and Refunding Bonds outstanding at December 31, 2004 are as follows:

Jefferson County, Ohio
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For the Year Ended December 31, 2004

Year Ending December 31	Serial and Term Bonds	
	Principal	Interest
2005	\$1,020,000	\$636,461
2006	1,105,000	591,071
2007	1,140,000	540,793
2008	845,000	488,353
2009	690,000	394,168
2010-2014	4,865,000	4,628,827
2015-2017	3,090,000	1,348,301
Totals	\$12,755,000	\$8,627,974

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 issuance costs, \$111,777 for governmental and \$94,759 for business type activities, are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method.

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

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

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

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

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

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

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

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

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Year Ending December 31	Serial and Term Bonds	
	Principal	Interest
2005	\$10,000	\$216,693
2006	10,000	204,013
2007	10,000	203,814
2008	10,000	203,614
2009	90,000	203,376
2010-2014	495,000	974,929
2015-2019	610,000	862,795
2020-2024	790,000	680,581
2025-2029	1,025,000	456,002
2030-2034	1,285,000	188,574
Totals	\$4,335,000	\$4,194,391

Long Term Notes Payable - The County has issued several long term notes payable, all of which are backed by the full faith and credit of the County. The County fully repaid one tax anticipation note during 2004 that had been issued for engineer vehicles. The County has one outstanding tax anticipation note in the amount of \$300,053 that was issued for geographical information systems. This note is being repaid through the debt service fund from county tax revenues. The County has two outstanding revenue anticipation notes which were issued for the following purposes: \$158,400 for the jet fuel tank at the airpark and \$50,142 for hangers at the airpark. These notes are being repaid through the debt service fund from rental revenues and the sale of fuel generated through the use of the airpark.

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, 2004 is \$209,045.

OPWC Road Resurfacing Loan - The \$55,272 OPWC road resurfacing loan was issued for road repairs and will be repaid through county taxes. The OPWC loan is interest free.

Principal and interest requirements to retire the long term notes payable, state infrastructure bank loan, and the OPWC Road Resurfacing Loan outstanding at December 31, 2004 are as follows:

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For the Year Ended December 31, 2004

Year Ending December 31	Notes Payable		SIB Loan		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2005	\$197,535	\$22,294	\$49,012	\$7,877	\$6,502
2006	179,122	13,118	51,118	5,895	6,502
2007	13,200	4,826	53,312	3,829	6,502
2008	13,200	4,343	55,603	1,674	6,502
2009	13,200	3,836	0	0	6,502
2010-2013	92,338	8,545	0	0	22,762
Totals	\$508,595	\$56,962	\$209,045	\$19,275	\$55,272

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

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

Tax Refund – The County has a liability to the Duquesne Light Corporation, a public utility company, for repayment of taxes from tax year 1999. The final determination of the refund was issued on June 6, 2000 and was scheduled to be repaid over a five year period through a reduction of ten tax settlements. The liability will be repaid through the General, Mental Retardation and Developmental Disabilities, Mental Health, Tuberculosis/Crippled Child Levy, Children Services, Miscellaneous Local, and Jail Operating Levy special revenue funds, and the Jail Construction capital projects fund. The entire outstanding balance at December 31, 2004 is scheduled to be repaid during 2005.

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. A summary of the required principal payments to maturity is as follows:

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Year Ending December 31	Principal
2005	\$31,576
2006	15,790
Totals	\$47,366

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 four remaining annual payments which are scheduled as follows:

Year Ending December 31	Principal
2005	\$16,830
2006	16,830
2007	16,830
2008	16,829
Totals	\$67,319

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, 2004 are as follows:

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Year Ending December 31	Principal	Interest
2005	\$50,348	\$9,730
2006	53,056	7,022
2007	55,909	4,169
2008	48,881	1,184
Totals	\$208,194	\$22,105

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

Business Type Activities:

Water Improvement Revenue Bonds – In 1965, the County issued mortgage revenue bonds in the amount of \$1,360,000 for water improvements. These bonds will be paid from revenues derived by the County from the operation of the water system. Mortgage revenue bonds debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest
2005	\$61,000	\$1,281

The Water Funds' related bond indentures have certain restrictive covenants which principally require that bond reserve funds be maintained and charges for fees to customers be in sufficient amounts, as defined, to satisfy the obligations under the indenture agreements. In addition, special provisions exist regarding covenant violations, redemption of principal, and maintenance of properties in good condition.

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 issuance costs, \$111,777 for governmental and \$94,759 for business type activities, are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method.

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

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\$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 were originally intended to be partially repaid through special assessments as well as from revenues derived from the operation of the sewer system. As of the date of the issuance of the bonds, no special assessments had been levied for the repayment of these bonds. The 2005 scheduled repayment will be made from sewer fund operating revenues. See Subsequent Event Note 25 for further details.

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:

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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:

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

* Maturity

Principal and interest requirements to retire the business type activities portion of the 2004 Various Purpose Bonds outstanding at December 31, 2004 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
2005	\$50,000	\$87,331	\$25,000	\$70,829	\$15,000	\$15,912
2006	55,000	81,302	25,000	66,250	10,000	14,696
2007	50,000	80,202	30,000	65,750	15,000	14,496
2008	50,000	79,202	30,000	65,150	15,000	14,196
2009	50,000	78,014	30,000	64,438	15,000	13,838
2010-2014	275,000	366,934	155,000	308,882	75,000	62,540
2015-2019	335,000	304,774	195,000	273,505	90,000	46,224
2020-2024	440,000	203,458	255,000	214,651	115,000	19,349
2025-2029	550,000	80,744	320,000	142,974	0	0
2030-2034	0	0	405,000	59,614	0	0
Totals	<u>\$1,855,000</u>	<u>\$1,361,961</u>	<u>\$1,470,000</u>	<u>\$1,332,043</u>	<u>\$350,000</u>	<u>\$201,251</u>

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

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

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

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Year Ending December 31	OWDA Loans		OPWC Loans
	Principal	Interest	Principal
2005	\$497,783	\$274,239	\$69,379
2006	527,388	246,314	69,379
2007	558,897	216,618	69,379
2008	592,435	185,036	69,379
2009	628,143	151,437	65,379
2010-2014	1,916,329	308,737	287,378
2015-2019	0	0	77,145
2020-2021	0	0	20,007
Totals	<u>\$4,720,975</u>	<u>\$1,382,381</u>	<u>\$727,425</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. The project is scheduled for completion during 2005. The loan repayment schedule will be provided at the point the project is complete.

Long Term Notes Payable - The County issued a long term note payable for a water project. The twelve month bond anticipation note was originally issued on April 7, 2003, and was refinanced on April 7, 2004 as a twelve month issue, due on April 7, 2005, and as of the date of this report, long term financing arrangements have been made for this note. This note was repaid on April 7, 2005 with proceeds of the Ohio EPA Loan that will be repaid through user charges. See Subsequent Event Note 25.

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, 2004 are a margin on unvoted debt of \$11,254,148, and an overall debt margin of \$26,635,370.

Jefferson County, Ohio
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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, 2004, there is \$20,875,000 in industrial revenue bond issues that have not been completely repaid of which \$5,055,000 remain outstanding.

Defeased Debt:

On March 13, 1998, the County issued \$10,657,219 in general obligation bonds with an interest rate of 4.95 percent to 5.089 percent to advance refund \$12,935,000 of the outstanding 1991 Human Services Complex bonds and the 1995 Jail Construction bonds with an interest rate of 6.714 percent to 7.250 percent. The serial bonds mature on December 1, 2019. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. Government Securities, which were deposited into an irrevocable trust with an escrow agent to provide future debt service payments on the refunded bonds were removed from the County's financial statements. As of December 31, 2004 \$10,660,000 of the refunded bonds remained outstanding.

NOTE 18 - NOTES PAYABLE

	Outstanding 12/31/03	Issued	Retired	Outstanding 12/31/04
<u>Governmental Funds</u>				
<u>Special Revenue Fund:</u>				
MVGT - Various Road Projects - 2.9%	\$0	\$250,000	\$0	\$250,000
<u>Capital Projects Fund:</u>				
Jail Construction - 2.10%	4,243,417	0	4,243,417	0
Total Governmental Funds	4,243,417	250,000	4,243,417	250,000
<u>Enterprise Funds:</u>				
Water Projects - 2.10%	2,508,907	0	2,508,907	0
Industrial Park Water - 2.1%	110,033	0	110,033	0
Water RECDS Consolidation - 5.60%	139,309	0	17,418	121,891
Sewer Projects - 2.10%	2,175,520	0	2,175,520	0
Sewer Projects - 2.44%	0	950,000	0	950,000
Industrial Park Sewer - 2.1%	282,122	0	282,122	0
Sewer RECDS Consolidation - 5.60%	53,149	0	6,640	46,509
Total Enterprise Funds	5,269,040	950,000	5,100,640	1,118,400
Total	\$9,512,457	\$1,200,000	\$9,344,057	\$1,368,400

The capital projects fund note and the water projects, industrial park water, sewer projects, and industrial park sewer notes were permanently financed through the 2004 various purpose bond issue.

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

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

Year Ending December 31	Water RECDS Consolidation		Sewer RECDS Consolidation	
	Principal	Interest	Principal	Interest
2005	\$17,418	\$6,923	\$6,640	\$2,639
2006	104,473	5,934	39,869	2,262
Totals	<u>\$121,891</u>	<u>\$12,857</u>	<u>\$46,509</u>	<u>\$4,901</u>

NOTE 19 – INTERNAL BALANCES

Interfund balances at December 31, 2004 consist of the following individual interfund receivables and payables:

Interfund Payable	Interfund Receivable								Total	
	Major Funds						Jail Operating Levy	Other Nonmajor Governmental		Self Insurance - Workers' Compensation
	General	Public Assistance	MVGT	Mental Health	MRDD					
Major Funds:										
General Fund	\$0	\$625	\$0	\$129,924	\$0	\$0	\$0	\$198,884	\$329,433	
Public Assistance	49,920	0	0	0	0	0	0	121,950	171,870	
MVGT	0	0	0	0	0	0	0	88,583	88,583	
Mental Health	0	0	0	0	0	0	0	10,948	10,948	
MRDD	0	0	0	0	0	0	0	186,095	186,095	
Jail Operating										
Levy	0	0	0	0	197,000	0	2,305,700	94,216	2,596,916	
Sewer	0	0	0	0	0	0	0	7,760	7,760	
Water	0	0	0	0	0	0	0	25,672	25,672	
Other Nonmajor										
Governmental	97,171	14,011	624,337	500,000	0	4,271	15,117	218,044	1,472,951	
Self Insurance - Health	477,997	710,012	0	821,000	653,902	0	2,686,608	4,531,000	9,880,519	
Total All Funds	<u>\$625,088</u>	<u>\$724,648</u>	<u>\$624,337</u>	<u>\$1,450,924</u>	<u>\$850,902</u>	<u>\$4,271</u>	<u>\$5,007,425</u>	<u>\$5,483,152</u>	<u>\$14,770,747</u>	

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

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

Actual cash deficit balances in the Jail Operating Levy Fund, Permissive Sheriff Fund, and the Self Insurance – Health Fund were covered by cash from the Tuberculosis/Crippled Child Levy Fund, General Fund, Mental Health Fund, Mental Retardation and Developmental Disabilities Fund, Miscellaneous Local Fund, Public Assistance Fund, Court Corrections and Public Safety Fund and the Self Insurance – Workers’ Compensation 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, 2004 consisted of the following:

<u>Transfer from</u>	Transfer to		Totals
	Jail Operating Levy	Other Nonmajor Governmental	
	General Fund	\$969,634	
MVGT Fund	0	563,684	563,684
Mental Health	0	35,000	35,000
MRDD Fund	0	50,000	50,000
Other Nonmajor Governmental	0	341,236	341,236
Total All Funds	\$969,634	\$1,942,930	\$2,912,564

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.

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NOTE 20 - JOINT VENTURE

Jefferson County Regional Planning Commission:

The County participates in the Jefferson County Regional Planning Commission which is a statutorily created (ORC section 713) political subdivision of the State. The Commission is jointly governed among Jefferson County and municipalities and townships within the County. The Commission includes the three Jefferson County Commissioners, fourteen municipality mayors, fourteen township trustees, and six non-governmental representatives appointed by the member governments. Each member's control over the operation of the commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environment, social, economic and governmental functions and services of the County as well as applies for Community Development Block Grants for the member governments. The Board exercises total control of the budgeting, appropriation, contracting and management. The County's contribution is a \$70,234 annual subsidy (approximately 47 percent of the annual revenues of the Commission). The remaining member governments contribute an annual fee that totals \$4,000 per year. The Commission applies for Community Development Block Grants on behalf of member governments and receives approximately \$68,600 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 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 21 - JOINTLY GOVERNED ORGANIZATIONS

A. *Jefferson County Cluster*

Jefferson County Cluster provides services to multi-need youth in Jefferson County. Members of the Cluster include the Jefferson County Alcohol, Drug Addiction, and Mental Health Services Board, the Children 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 2004.

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 2004.

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

BHI is a separate and distinct political subdivision created pursuant to Ohio Revised Code section 713.30 and West Virginia Revised Code articles 8-25 and 8-26 to provide planning and administrative services to all local governments in a three county region comprised of Jefferson County and two counties in West Virginia. The governing board is comprised of 69 members which include 50 elected officials from the counties and municipalities as well as 19 appointed members from an array of private, public, and quasi-public entities. The Commission is not dependent upon Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Council. The County contributed \$31,774 to BHI in 2004.

D. Southeast Ohio Juvenile Rehabilitation District (SOJRD):

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

A Board of Trustees has been created whose members are appointed by the juvenile judges of which Belmont and Jefferson counties have three appointees, Guernsey County has two appointees, and Harrison, Monroe and Noble counties each have one appointee. The facility is located on property now owned by Belmont County. Policies, procedures and the operating budget are approved by the Judicial Rehabilitation Board. The Board is not dependent upon Jefferson County 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 2004.

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 2004.

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

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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 \$6,888 to OMEGA in 2004.

G. Jefferson-Belmont Joint Solid Waste Authority:

The Jefferson-Belmont Joint Solid Waste Authority is a jointly governed organization between Jefferson and Belmont counties. The Authority, formed to provide solid waste services to the two participating counties, is governed by a fourteen member board of directors of which one commissioner from Jefferson County is a member. The Authority is not dependent on Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Authority. The County does not make any monetary contributions to the Authority. Jefferson County serves as fiscal agent for the District and the activity is presented on the financial statements as an agency fund. The County did not contribute financially to the authority in 2004.

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 current Council is governed currently by a 24 member Board. During 2004, 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.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

During 2004, the County made no contributions to the Board.

NOTE 22 - RELATED ORGANIZATIONS

A. Jefferson Metropolitan Housing Authority

The Jefferson Metropolitan Housing Authority was established to provide adequate public housing for low income individuals and was created pursuant to Ohio Revised Code Section 3735.27. The Authority is operated by a five member board. Two members are appointed by the mayor of the largest city in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority. The County did not contribute financially to the authority in 2004.

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 2004.

NOTE 23 - PUBLIC ENTITY POOLS

A. Insurance Purchasing Pool

County Risk Sharing Authority (CORSA)

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

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member Counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member County's control over the budgeting and financing of CORSA is limited to its voting authority

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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 2004 was \$464,619.

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 24 - FOOD STAMPS

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

NOTE 25 – CONTINGENCIES/SUBSEQUENT EVENTS

A. Primary Government

Grants - The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

Litigation

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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

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

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

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

more, then Christine Voinovich is relieved from any further monetary obligation to the Trustee. If the net distribution on the Bankruptcy Claim is less than \$750,000, Christine Voinovich will pay the amount of the shortfall;

5. The Parties will dismiss, with prejudice, all claims made in the Recovery Action with the exception of the \$15,000,000 judgment against the Probate Estate and the parties will release all claims they may have against other parties (other than the claims the trustee may have to enforce the \$15,000,000 judgment against the probate estate and the trustee's claim in the probate proceeding);
6. Gateway Health Centers Limited Partnership and Gateway Manor Congregate Apartments Limited Partnership shall purchase the Probate Estate's interest in the partnerships for the net purchase price of \$1,640,000. Those proceeds will be distributed as follows: \$360,000 to Christine Voinovich and \$1,290,000 to the Probate Estate;
7. The Chapter 7 Trustee may request that the settlement be declared void with respect to any party that has intentionally, fraudulently, and materially failed to fully and accurately disclose reasonable available financial information required by the settlement.

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

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

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.

Special Assessments – During 2004 the County issued general obligation bonds for the permanent financing of several bond anticipation notes. Part of this general obligation bond was issued to permanently finance bond anticipation notes that were originally issued to provide sewer expansion in the Tidd-Dale and Hazelwood areas of the County. This \$350,000 portion of the bond issue was intended to be partially repaid through special assessments. At the time the bonds were issued, no formal action had been taken to levy the special assessments. These special assessments were authorized by the County Commissioners on February 28, 2005. The special assessments have been levied to collect approximately \$263,000. At the date of this financial report, any assessments that were not paid in full within sixty days of the levy date are scheduled to be collected through real estate tax collections starting in 2006.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

Mortgage Revenue Bonds Repayment – The County made the final repayment of the 1965 Water Improvement Revenue Bonds on March 1, 2005. On April 20, 2005, with the final repayment being made, the fiscal agent refunded the County the entire balance of the trust accounts that had been held to satisfy the bond indenture agreement that were reported as restricted assets.

Long Term Notes Payable/Ohio EPA Loan Payable – On April 7, 2005, the County permanently financed a bond anticipation note payable of \$750,000 for a water project with proceeds from an Ohio EPA Loan. The twelve month bond anticipation note was originally issued on April 7, 2003, and had been refinanced on April 7, 2004 as a twelve month bond anticipation note. The Ohio EPA Loan has an interest rate of 3.35 percent, and upon completion of the project, will be scheduled for a twenty year repayment. The Ohio EPA Loan is intended to be repaid through user charges.

Health Insurance – Effective February 1, 2005, as part of the fifteen year debt reduction plan to address the deficit in the County's self insurance program, the County added the Health Plan as an additional third-party administrator within the Ohio Mid Eastern Regional Educational Service Agency (OME-RESA) claims servicing pool. Employees now have a choice of plan participation with either the Health Plan or with Self-Funded Plans, Inc. as the third-party administrator. The plan remains self-insured.

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

Dissolution of Children Services Board – The County Commissioners took final action on February 24, 2005 to dissolve the Jefferson County Children Services Board, effective March 31, 2005. Effective April 1, 2005, the Jefferson County Department of Job and Family Services was designated the public children services agency of Jefferson County.

NOTE 26 - RELATED PARTY TRANSACTIONS

During 2004, 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 \$38,996 for such contributions. JeffCo Workshop recorded operating revenues and operating expenses at cost or fair value as applicable, to the extent the contribution is related to the vocational purpose of JeffCo Workshop.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

NOTE 27 – COMPONENT UNIT JEFFCO WORKSHOP, INC.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Basis of Accounting

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

Cash and Cash Equivalents

Cash and cash equivalents consist of all cash on hand, cash in banks – checking, savings, money markets, and certificates of deposit maturing within 90 days.

Inventory

The inventory is stated at historical cost.

Fixed Assets

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

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

Equipment and Furniture	5 – 7 years
Vehicles	5 years

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

Functional Expenses

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

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 2004 or 2003 and Form 990 has been filed for the years ended December 31, 2004 and 2003.

In-kind Contribution

In-kind contributions of services and facilities were valued at \$38,514 and \$38,996 for the years ended December 31, 2004 and 2003, respectively. In-kind contributions were valued by using the worksheet developed by the Ohio Department of Mental Retardation and Developmental Disabilities. In-kind contributions to Jeffco Workshop, Inc. were the salaries paid to employees of Jeffco Workshop, Inc. by the Jefferson County Board of Mental Retardation and Developmental Disabilities, as well as, the use of the county board's workshop and training center facilities at no charge. These in-kind contributions are recorded both as a revenue and expense.

B. CASH ON HAND AND IN BANK

Cash on hand and in bank as of December 31, 2004 and 2003 consists of the following:

	December 31,			
	2004		2003	
	<u>Bank</u>	<u>Book</u>	<u>Bank</u>	<u>Book</u>
Sky Bank – regular checking	\$ 62,153	\$ 62,153	\$85,924	\$85,293
Sky Bank – consumer payroll	11,862	9,998	8,848	6,674
Sky Bank – Ohio Power payroll	8,089	7,710	5,735	5,078
Sky Bank – attendance incentive	2,061	1,406	4,731	3,746
Sky Bank – special fund checking	51,921	51,921	49,616	49,616
Bank One – venture savings	91,200	91,200	90,652	90,652
Smith Barney – money market fund	2,021	2,021	2,003	2,003
Edward Jones – money market fund	<u>2,564</u>	<u>2,564</u>	<u>87</u>	<u>87</u>
Total cash in bank	231,871	228,973	247,596	243,149
Petty cash	-	488	-	400
Token economy fund	<u>-</u>	<u>540</u>	<u>-</u>	<u>470</u>
Total cash on hand	<u>-</u>	<u>1,028</u>	<u>-</u>	<u>870</u>
Total cash on hand and in bank	<u>\$231,871</u>	<u>\$230,001</u>	<u>\$247,596</u>	<u>\$244,019</u>

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

C. INVESTMENTS

The investments are carried on the books at original cost. Following is a summary of the investments account at December 31, 2004 and 2003:

	<u>Rate</u>	<u>Maturity</u>	<u>December 31,</u>	
			<u>2004</u>	<u>2003</u>
Mutual Funds				
Smith Barney	Varies	-	\$ 51,004	\$ 49,237
Edward Jones	Varies	-	8,314	331
Certificates of Deposit:				
Sky Bank	5.03%	05-30-04	-	50,704
Sky Bank	5.03%	06-13-04	-	35,839
Wesbanco	3.36%	06-16-04	-	41,598
National City Bank	5.25%	07-13-04	-	63,382
Sky Bank	2.85%	09-16-04	-	51,689
Bank One	7.00%	10-03-04	-	110,278
Parkvale Bank	2.30%	03-25-05	48,419	47,352
Sky Bank	2.00%	05-16-05	53,071	-
Wesbanco	2.43%	05-28-05	45,813	44,716
Sky Bank	2.23%	05-28-05	61,872	60,274
Sky Bank	2.25%	06-02-05	52,632	-
Sky Bank	2.30%	06-06-05	118,296	-
Sky Bank	2.75%	01-13-06	37,257	-
Parkvale Bank	2.58%	05-29-06	44,794	43,654
National City Bank	3.00%	07-13-07	66,117	-
Treasury Bank	3.10%	10-22-07	35,000	35,000
Wesbanco	2.97%	09-16-08	42,931	-
Bonds:				
Household Finance Corp.	4.60%	11-15-10	35,000	35,000
Caterpillar Financial Services	5.00%	11-15-12	35,000	35,000
Household Finance Corp.	5.35%	11-15-13	35,000	35,000
FHLMC	5.00%	11-15-29	<u>35,000</u>	<u>35,000</u>
			805,520	774,054
Less: current portion			<u>(439,421)</u>	<u>(463,332)</u>
			<u>\$366,099</u>	<u>\$310,722</u>

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

An analysis of unrealized gain (loss) at December 31, 2004 and 2003 is as follows:

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

Investment	December 31, 2003		
	Cost	Market	Unrealized Gain (Loss)
Mutual Fund – Smith Barney	\$ 49,237	\$ 49,482	\$ 245
Mutual Fund – Edward Jones	331	322	(9)
Bond - Household Finance Corp. (11-15-10)	35,000	34,825	(175)
Bond - Caterpillar Financial (11-15-12)	35,000	34,738	(262)
Bond - Household Finance Corp. (11-15-13)	35,000	34,519	(481)
FHLMC	<u>35,000</u>	<u>34,650</u>	<u>(350)</u>
Total	<u>\$189,568</u>	<u>\$188,536</u>	<u>\$(1,032)</u>

D. RELATED PARTY

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

E. BUSINESS AND CREDIT CONCENTRATIONS

The workshop's customers are located in the Upper Ohio Valley Area. Six customers accounted for approximately \$289,901 (84%) of the gross revenues in 2004 and five customers accounted for approximately \$258,961 (75%) of the gross revenues in 2003. The organization also grants credit to their larger customers in the area and the credit risk depends upon the economic conditions in the local area.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2004

F. 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, 2004 and 2003 respectively, the total uninsured balance in these accounts was \$336,070 and \$354,290.

**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 a county-wide property tax levy that is 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. This fund was not budgeted because the County did not anticipate any activity and none occurred.

(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 Funds:

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

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

Jail Construction Fund – To account for note and bond proceeds and transfers from the general fund to be expended for the construction and maintenance of the County Justice Facility.

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Jefferson County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,035,908	\$1,536,554	\$615,559	\$3,188,021
Cash and Cash Equivalents in Segregated Accounts	63,140	0	0	63,140
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	844,116	0	0	844,116
Investments with Fiscal Agents	0	85,029	0	85,029
Receivables:				
Property Taxes	3,415,543	1,292,890	0	4,708,433
Permissive Taxes	216,763	189,621	0	406,384
Accounts	3,577	0	0	3,577
Intergovernmental	3,246,493	69,295	0	3,315,788
Interfund	5,007,425	0	0	5,007,425
Materials and Supplies Inventory	49,870	0	0	49,870
Prepaid Items	62,632	0	0	62,632
<i>Total Assets</i>	<u>\$13,945,467</u>	<u>\$3,173,389</u>	<u>\$615,559</u>	<u>\$17,734,415</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$281,251	\$0	\$0	\$281,251
Accrued Wages and Benefits	187,676	0	0	187,676
Contracts Payable	228,281	0	0	228,281
Matured Severance Payable	12,473	0	0	12,473
Interfund Payable	1,472,951	0	0	1,472,951
Intergovernmental Payable	101,422	0	0	101,422
Deferred Revenue	5,406,204	1,362,185	0	6,768,389
<i>Total Liabilities</i>	<u>7,690,258</u>	<u>1,362,185</u>	<u>0</u>	<u>9,052,443</u>
Fund Balances				
Reserved for Encumbrances	78,591	0	0	78,591
Reserved for Endowments	844,116	0	0	844,116
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	5,332,502	0	0	5,332,502
Debt Service Funds	0	1,811,204	0	1,811,204
Capital Projects Funds	0	0	615,559	615,559
<i>Total Fund Balances</i>	<u>6,255,209</u>	<u>1,811,204</u>	<u>615,559</u>	<u>8,681,972</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$13,945,467</u>	<u>\$3,173,389</u>	<u>\$615,559</u>	<u>\$17,734,415</u>

Jefferson County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2004

	Miscellaneous Local	Court/Corrections and Public Safety	Emergency 911	Permissive Sheriff
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,849	\$2,112	\$459,342	\$0
Cash and Cash Equivalents in Segregated Accounts	0	0	0	61,239
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
Receivables:				
Property Taxes	0	0	1,494,408	0
Permissive Taxes	0	0	0	216,763
Accounts	1,260	0	0	0
Intergovernmental	70,210	365,725	171,104	41,660
Interfund	1,746,608	940,000	0	17,817
Materials and Supplies Inventory	34,295	0	0	14,219
Prepaid Items	10,725	0	7,208	29,392
<i>Total Assets</i>	<u>\$1,865,947</u>	<u>\$1,307,837</u>	<u>\$2,132,062</u>	<u>\$381,090</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$60,888	\$40,233	\$0	\$26,627
Accrued Wages and Benefits	45,356	12,256	22,317	49,317
Contracts Payable	198,881	0	29,400	0
Matured Severance Payable	4,189	0	0	0
Interfund Payable	85,293	16,062	20,226	567,166
Intergovernmental Payable	20,618	6,017	8,168	25,382
Deferred Revenue	0	171,807	1,665,512	0
<i>Total Liabilities</i>	<u>415,225</u>	<u>246,375</u>	<u>1,745,623</u>	<u>668,492</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	75,936	191	0	0
Reserved for Endowments	0	0	0	0
Unreserved, Undesignated	1,374,786	1,061,271	386,439	(287,402)
<i>Total Fund Balances (Deficit)</i>	<u>1,450,722</u>	<u>1,061,462</u>	<u>386,439</u>	<u>(287,402)</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,865,947</u>	<u>\$1,307,837</u>	<u>\$2,132,062</u>	<u>\$381,090</u>

Tuberculosis/ Crippled Child Levy	Children Services	Community Development Block Grant	Federal Emergency Management Assistance	Senior Citizens Levy	Total Nonmajor Special Revenue Funds
\$500	\$511,394	\$20,441	\$0	\$39,270	\$1,035,908
0	1,901	0	0	0	63,140
0	844,116	0	0	0	844,116
0	875,982	0	0	1,045,153	3,415,543
0	0	0	0	0	216,763
0	2,317	0	0	0	3,577
0	791,602	1,024,494	731,105	50,593	3,246,493
2,303,000	0	0	0	0	5,007,425
0	1,356	0	0	0	49,870
0	15,307	0	0	0	62,632
<u>\$2,303,500</u>	<u>\$3,043,975</u>	<u>\$1,044,935</u>	<u>\$731,105</u>	<u>\$1,135,016</u>	<u>\$13,945,467</u>
\$0	\$102,546	\$50,957	\$0	\$0	\$281,251
0	58,430	0	0	0	187,676
0	0	0	0	0	228,281
0	8,284	0	0	0	12,473
0	64,233	0	719,971	0	1,472,951
0	30,103	0	11,134	0	101,422
0	1,517,926	955,213	0	1,095,746	5,406,204
0	1,781,522	1,006,170	731,105	1,095,746	7,690,258
998	1,466	0	0	0	78,591
0	844,116	0	0	0	844,116
2,302,502	416,871	38,765	0	39,270	5,332,502
<u>2,303,500</u>	<u>1,262,453</u>	<u>38,765</u>	<u>0</u>	<u>39,270</u>	<u>6,255,209</u>
<u>\$2,303,500</u>	<u>\$3,043,975</u>	<u>\$1,044,935</u>	<u>\$731,105</u>	<u>\$1,135,016</u>	<u>\$13,945,467</u>

Jefferson County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2004

	Permanent Improvement Fund	Jail Construction Fund	Total Nonmajor Capital Projects Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$612,006	\$3,553	\$615,559
<i>Total Assets</i>	<u>\$612,006</u>	<u>\$3,553</u>	<u>\$615,559</u>
Fund Balances			
Unreserved, Undesignated	\$612,006	\$3,553	\$615,559
<i>Total Fund Balances</i>	<u>\$612,006</u>	<u>\$3,553</u>	<u>\$615,559</u>

Jefferson County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2004

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$2,009,688	\$1,100,289	\$0	\$3,109,977
Permissive Taxes	1,648,536	488,021	0	2,136,557
Charges for Services	1,983,580	0	0	1,983,580
Licenses and Permits	375,566	0	0	375,566
Fines and Forfeitures	19,012	0	0	19,012
Intergovernmental	10,328,385	137,461	60,000	10,525,846
Interest	45,085	0	0	45,085
Rent	48,746	339,055	0	387,801
Other	108,546	0	21,940	130,486
<i>Total Revenues</i>	<u>16,567,144</u>	<u>2,064,826</u>	<u>81,940</u>	<u>18,713,910</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,227,891	0	0	1,227,891
Judicial	264,140	0	0	264,140
Public Safety	5,004,300	0	0	5,004,300
Public Works	1,492,685	0	0	1,492,685
Health	305,656	0	0	305,656
Human Services	5,951,394	0	0	5,951,394
Economic Development and Assistance	2,663,978	0	0	2,663,978
Capital Outlay	0	0	42,513	42,513
Intergovernmental	13,305	0	0	13,305
Debt Service:				
Principal Retirement	56,145	2,013,061	0	2,069,206
Interest and Fiscal Charges	3,963	1,262,414	69,883	1,336,260
Issuance Costs	0	0	111,777	111,777
<i>Total Expenditures</i>	<u>16,983,457</u>	<u>3,275,475</u>	<u>224,173</u>	<u>20,483,105</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(416,313)</u>	<u>(1,210,649)</u>	<u>(142,233)</u>	<u>(1,769,195)</u>
Other Financing Sources (Uses):				
General Obligation Bonds Issued	0	0	4,335,000	4,335,000
Premium on General Obligation Bonds Issued	0	22,949	108,563	131,512
Inception of Capital Lease	19,018	0	0	19,018
Transfers In	876,099	981,831	85,000	1,942,930
Transfers Out	(341,236)	0	0	(341,236)
<i>Total Other Financing Sources (Uses)</i>	<u>553,881</u>	<u>1,004,780</u>	<u>4,528,563</u>	<u>6,087,224</u>
<i>Net Change in Fund Balances</i>	137,568	(205,869)	4,386,330	4,318,029
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>6,117,641</u>	<u>2,017,073</u>	<u>(3,770,771)</u>	<u>4,363,943</u>
<i>Fund Balances at End of Year</i>	<u>\$6,255,209</u>	<u>\$1,811,204</u>	<u>\$615,559</u>	<u>\$8,681,972</u>

Jefferson County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2004

	Miscellaneous Local	Court/Corrections and Public Safety	Emergency 911	Permissive Sheriff
Revenues				
Property Taxes	\$0	\$0	\$1,245,787	\$0
Permissive Taxes	0	0	0	1,648,536
Charges for Services	1,003,706	141,694	0	342,701
Licenses and Permits	353,661	21,905	0	0
Fines and Forfeitures	12,500	6,512	0	0
Intergovernmental	2,690,413	1,779,994	341,244	187,669
Interest	627	0	0	0
Rent	13,047	0	35,699	0
Other	30,631	15,492	0	3,742
<i>Total Revenues</i>	<u>4,104,585</u>	<u>1,965,597</u>	<u>1,622,730</u>	<u>2,182,648</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,227,891	0	0	0
Judicial	652	263,488	0	0
Public Safety	0	1,592,124	999,669	2,412,507
Public Works	304,026	0	0	0
Health	144,452	0	0	0
Human Services	1,559,755	0	0	0
Economic Development and Assistance	1,471,686	0	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	11,899	9,818	34,428
Interest and Fiscal Charges	0	1,296	0	2,667
<i>Total Expenditures</i>	<u>4,708,462</u>	<u>1,868,807</u>	<u>1,009,487</u>	<u>2,449,602</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenditures</i>	<u>(603,877)</u>	<u>96,790</u>	<u>613,243</u>	<u>(266,954)</u>
Other Financing Sources (Uses):				
Inception of Capital Lease	0	19,018	0	0
Transfers In	208,024	12,709	0	655,366
Transfers Out	(2,101)	0	(339,135)	0
<i>Total Other Financing Sources (Uses)</i>	<u>205,923</u>	<u>31,727</u>	<u>(339,135)</u>	<u>655,366</u>
<i>Net Change in Fund Balances</i>	(397,954)	128,517	274,108	388,412
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>1,848,676</u>	<u>932,945</u>	<u>112,331</u>	<u>(675,814)</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,450,722</u>	<u>\$1,061,462</u>	<u>\$386,439</u>	<u>(\$287,402)</u>

Tuberculosis/ Crippled Child Levy	Children Services	Community Development Block Grant	Federal Emergency Management Assistance	Senior Citizens Levy	Total Nonmajor Special Revenue Funds
\$2,793	\$721,838	\$0	\$0	\$39,270	\$2,009,688
0	0	0	0	0	1,648,536
0	495,479	0	0	0	1,983,580
0	0	0	0	0	375,566
0	0	0	0	0	19,012
67,554	2,922,157	1,137,390	1,201,964	0	10,328,385
0	44,458	0	0	0	45,085
0	0	0	0	0	48,746
1,778	54,734	2,169	0	0	108,546
<u>72,125</u>	<u>4,238,666</u>	<u>1,139,559</u>	<u>1,201,964</u>	<u>39,270</u>	<u>16,567,144</u>
0	0	0	0	0	1,227,891
0	0	0	0	0	264,140
0	0	0	0	0	5,004,300
0	0	0	1,188,659	0	1,492,685
161,204	0	0	0	0	305,656
0	4,391,639	0	0	0	5,951,394
0	0	1,192,292	0	0	2,663,978
0	0	0	13,305	0	13,305
0	0	0	0	0	56,145
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,963</u>
<u>161,204</u>	<u>4,391,639</u>	<u>1,192,292</u>	<u>1,201,964</u>	<u>0</u>	<u>16,983,457</u>
<u>(89,079)</u>	<u>(152,973)</u>	<u>(52,733)</u>	<u>0</u>	<u>39,270</u>	<u>(416,313)</u>
0	0	0	0	0	19,018
0	0	0	0	0	876,099
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(341,236)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>553,881</u>
(89,079)	(152,973)	(52,733)	0	39,270	137,568
<u>2,392,579</u>	<u>1,415,426</u>	<u>91,498</u>	<u>0</u>	<u>0</u>	<u>6,117,641</u>
<u>\$2,303,500</u>	<u>\$1,262,453</u>	<u>\$38,765</u>	<u>\$0</u>	<u>\$39,270</u>	<u>\$6,255,209</u>

Jefferson County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2004

	Permanent Improvement Fund	Jail Construction Fund	Total Nonmajor Capital Projects Funds
Revenues			
Intergovernmental	\$60,000	\$0	\$60,000
Other	21,940	0	21,940
<i>Total Revenues</i>	<u>81,940</u>	<u>0</u>	<u>81,940</u>
Expenditures			
Capital Outlay	35,746	6,767	42,513
Debt Service:			
Interest and Fiscal Charges	0	69,883	69,883
Issuance Costs	0	111,777	111,777
<i>Total Expenditures</i>	<u>35,746</u>	<u>188,427</u>	<u>224,173</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>46,194</u>	<u>(188,427)</u>	<u>(142,233)</u>
Other Financing Sources:			
General Obligation Bonds Issued	0	4,335,000	4,335,000
Premium on General Obligation Bonds Issued	0	108,563	108,563
Transfers In	85,000	0	85,000
Total Other Financing Sources	<u>85,000</u>	<u>4,443,563</u>	<u>4,528,563</u>
<i>Net Change in Fund Balances</i>	131,194	4,255,136	4,386,330
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>480,812</u>	<u>(4,251,583)</u>	<u>(3,770,771)</u>
<i>Fund Balances at End of Year</i>	<u><u>\$612,006</u></u>	<u><u>\$3,553</u></u>	<u><u>\$615,559</u></u>

Jefferson County, Ohio
Fund Descriptions –
Internal Service Funds

Internal Service Funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The following is a description of the County's agency funds:

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

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

Jefferson County, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2004

	Self Insurance Health	Self Insurance Workers' Compensation	Total Internal Service Funds
Assets			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$0	\$959	\$959
Cash and Cash Equivalents with Fiscal Agents	2,696,914	0	2,696,914
Receivables:			
Accounts	420,757	0	420,757
Interfund	0	5,483,152	5,483,152
<i>Total Current Assets</i>	3,117,671	5,484,111	8,601,782
<i>Total Assets</i>	3,117,671	5,484,111	8,601,782
Liabilities			
Current Liabilities:			
Interfund Payable	9,880,519	0	9,880,519
Intergovernmental Payable	0	348,327	348,327
Claims Payable - Health Benefits	1,089,912	0	1,089,912
Claims Payable - Workers' Compensation	0	262,077	262,077
<i>Total Current Liabilities</i>	10,970,431	610,404	11,580,835
Long-Term Liabilities (Net of Current Portion):			
Claims Payable - Workers' Compensation	0	2,136,560	2,136,560
<i>Total Liabilities</i>	10,970,431	2,746,964	13,717,395
Net Assets			
Unrestricted (Deficit)	(7,852,760)	2,737,147	(5,115,613)
<i>Total Net Assets (Deficit)</i>	(\$7,852,760)	\$2,737,147	(\$5,115,613)

Jefferson County, Ohio
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
For the Year Ended December 31, 2004

	Self Insurance Health	Self Insurance Workers' Compensation	Total Internal Service Funds
Operating Revenues			
Charges for Services	\$8,574,898	\$1,060,869	\$9,635,767
<i>Total Operating Revenues</i>	<u>8,574,898</u>	<u>1,060,869</u>	<u>9,635,767</u>
Operating Expenses			
Contractual Services	1,138,332	364,486	1,502,818
Claims	4,761,978	(168,423)	4,593,555
<i>Total Operating Expenses</i>	<u>5,900,310</u>	<u>196,063</u>	<u>6,096,373</u>
<i>Operating Income</i>	2,674,588	864,806	3,539,394
Non-Operating Revenues			
Other Non-Operating Revenues	0	22,881	22,881
<i>Change in Net Assets</i>	2,674,588	887,687	3,562,275
<i>Net Assets (Deficit) Beginning of Year</i>	<u>(10,527,348)</u>	<u>1,849,460</u>	<u>(8,677,888)</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$7,852,760)</u></u>	<u><u>\$2,737,147</u></u>	<u><u>(\$5,115,613)</u></u>

Jefferson County, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2004

	Self Insurance Health	Self Insurance Workers' Compensation	Total Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Customers and Users	\$8,574,899	\$1,194,695	\$9,769,594
Cash Payments for Goods and Services	(1,138,334)	(454,402)	(1,592,736)
Cash Payments for Claims	(6,253,792)	(333,272)	(6,587,064)
Other Operating Revenues	479,113	0	479,113
Other Non-Operating Revenues	0	22,881	22,881
	<u>1,661,886</u>	<u>429,902</u>	<u>2,091,788</u>
<i>Net Cash Provided by Operating Activities</i>			
Cash Flows from Noncapital Financing Activities			
Interfund Loan	1,035,028	(428,943)	606,085
	<u>1,035,028</u>	<u>(428,943)</u>	<u>606,085</u>
<i>Net Cash Provided by (Used in) Noncapital Financing Activities</i>			
<i>Net Increase in Cash and Cash Equivalents</i>	2,696,914	959	2,697,873
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$2,696,914</u>	<u>\$959</u>	<u>\$2,697,873</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating Income	\$2,674,588	\$864,806	\$3,539,394
Adjustments:			
Non-Operating Revenues	0	22,881	22,881
Changes in Assets and Liabilities:			
Increase in Accounts Receivable	(420,757)	0	(420,757)
Decrease in Interfund Receivable	0	133,826	133,826
Decrease in Claims Payable	(591,945)	(501,695)	(1,093,640)
Decrease in Intergovernmental Payable	0	(89,916)	(89,916)
	<u>\$1,661,886</u>	<u>\$429,902</u>	<u>\$2,091,788</u>
<i>Net Cash Provided by Operating Activities</i>			

Jefferson County, Ohio
Fund Descriptions –
Agency Funds

Agency Funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations. The following is a description of the County's agency funds:

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

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

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

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

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

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

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

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

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

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

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2004

	<u>Balance</u> <u>12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/04</u>
<i>Board of Health:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$315,263	\$1,255,583	\$1,266,272	\$304,574
Total Assets	<u>\$315,263</u>	<u>\$1,255,583</u>	<u>\$1,266,272</u>	<u>\$304,574</u>
<u>Liabilities:</u>				
Undistributed Monies	\$315,263	\$1,255,583	\$1,266,272	\$304,574
Total Liabilities	<u>\$315,263</u>	<u>\$1,255,583</u>	<u>\$1,266,272</u>	<u>\$304,574</u>
<i>East Ohio Correctional Center (EOCC):</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$81,343	\$3,379,491	\$3,290,439	\$170,395
Total Assets	<u>\$81,343</u>	<u>\$3,379,491</u>	<u>\$3,290,439</u>	<u>\$170,395</u>
<u>Liabilities:</u>				
Undistributed Monies	\$81,343	\$3,379,491	\$3,290,439	\$170,395
Total Liabilities	<u>\$81,343</u>	<u>\$3,379,491</u>	<u>\$3,290,439</u>	<u>\$170,395</u>
<i>Jefferson/Belmont Joint Solid Waste District:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$98,521	\$478,440	\$287,379	\$289,582
Total Assets	<u>\$98,521</u>	<u>\$478,440</u>	<u>\$287,379</u>	<u>\$289,582</u>
<u>Liabilities:</u>				
Undistributed Monies	\$98,521	\$478,440	\$287,379	\$289,582
Total Liabilities	<u>\$98,521</u>	<u>\$478,440</u>	<u>\$287,379</u>	<u>\$289,582</u>

(Continued)

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2004

	<u>Balance</u> <u>12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/04</u>
<i>Taxes Agency:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$1,649,944	\$46,103,305	\$46,516,400	\$1,236,849
Receivables:				
Property Taxes	43,492,559	43,867,559	43,492,559	43,867,559
Accounts	507,666	507,101	507,666	507,101
Special Assessments	269,904	260,082	269,904	260,082
Intergovernmental	1,106,028	1,159,141	1,106,028	1,159,141
Total Assets	<u>\$47,026,101</u>	<u>\$91,897,188</u>	<u>\$91,892,557</u>	<u>\$47,030,732</u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$45,376,157	\$45,793,883	\$45,376,157	\$45,793,883
Undistributed Monies	1,649,944	46,103,305	46,516,400	1,236,849
Total Liabilities	<u>\$47,026,101</u>	<u>\$91,897,188</u>	<u>\$91,892,557</u>	<u>\$47,030,732</u>
<i>Undivided State Monies:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$31	\$3,170,471	\$3,170,502	\$0
Receivables:				
Intergovernmental	1,868,558	1,774,550	1,868,558	1,774,550
Total Assets	<u>\$1,868,589</u>	<u>\$4,945,021</u>	<u>\$5,039,060</u>	<u>\$1,774,550</u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$1,868,558	\$1,774,550	\$1,868,558	\$1,774,550
Undistributed Monies	31	3,170,471	3,170,502	0
Total Liabilities	<u>\$1,868,589</u>	<u>\$4,945,021</u>	<u>\$5,039,060</u>	<u>\$1,774,550</u>
<i>Corporation/Subdivision:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$0	\$36,521,796	\$36,521,796	\$0
Total Assets	<u>\$0</u>	<u>\$36,521,796</u>	<u>\$36,521,796</u>	<u>\$0</u>
<u>Liabilities:</u>				
Undistributed Monies	\$0	\$36,521,796	\$36,521,796	\$0
Total Liabilities	<u>\$0</u>	<u>\$36,521,796</u>	<u>\$36,521,796</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, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
<i>Miscellaneous Court/Safety:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$3,044	\$17,866	\$17,934	\$2,976
Cash and				
Cash Equivalents in				
Segregated Accounts	340,002	11,064,055	11,081,131	322,926
Accounts Receivable	<u>572,859</u>	<u>602,270</u>	<u>572,859</u>	<u>602,270</u>
Total Assets	<u>\$915,905</u>	<u>\$11,684,191</u>	<u>\$11,671,924</u>	<u>\$928,172</u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$355,568	\$373,822	\$355,568	\$373,822
Undistributed Monies	<u>560,337</u>	<u>11,310,369</u>	<u>11,316,356</u>	<u>554,350</u>
Total Liabilities	<u>\$915,905</u>	<u>\$11,684,191</u>	<u>\$11,671,924</u>	<u>\$928,172</u>
 <i>Family and Children First Council:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$105,818	\$418,219	\$500,317	\$23,720
Receivables:				
Accounts	10,696	0	10,696	0
Intergovernmental	<u>10,425</u>	<u>0</u>	<u>10,425</u>	<u>0</u>
Total Assets	<u>\$126,939</u>	<u>\$418,219</u>	<u>\$521,438</u>	<u>\$23,720</u>
<u>Liabilities:</u>				
Undistributed Monies	<u>\$126,939</u>	<u>\$418,219</u>	<u>\$521,438</u>	<u>\$23,720</u>
Total Liabilities	<u>\$126,939</u>	<u>\$418,219</u>	<u>\$521,438</u>	<u>\$23,720</u>
 <i>Other Agency:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$782,637	\$4,208,440	\$4,293,251	\$697,826
Receivables:				
Intergovernmental	<u>1,806,710</u>	<u>1,616,219</u>	<u>1,806,710</u>	<u>1,616,219</u>
Total Assets	<u>\$2,589,347</u>	<u>\$5,824,659</u>	<u>\$6,099,961</u>	<u>\$2,314,045</u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$1,806,710	\$1,616,219	\$1,806,710	\$1,616,219
Undistributed Monies	<u>782,637</u>	<u>4,208,440</u>	<u>4,293,251</u>	<u>697,826</u>
Total Liabilities	<u>\$2,589,347</u>	<u>\$5,824,659</u>	<u>\$6,099,961</u>	<u>\$2,314,045</u>

(Continued)

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2004

	<u>Balance 12/31/03</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/04</u>
<i>Total - All Agency Funds:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$3,036,601	\$95,553,611	\$95,864,290	\$2,725,922
Cash and				
Cash Equivalents in				
Segregated Accounts	340,002	11,064,055	11,081,131	322,926
Receivables:				
Property Taxes	43,492,559	43,867,559	43,492,559	43,867,559
Accounts	1,091,221	1,109,371	1,091,221	1,109,371
Special Assessments	269,904	260,082	269,904	260,082
Intergovernmental	4,791,721	4,549,910	4,791,721	4,549,910
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$53,022,008</u>	<u>\$156,404,588</u>	<u>\$156,590,826</u>	<u>\$52,835,770</u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$49,406,993	\$49,558,474	\$49,406,993	\$49,558,474
Undistributed Monies	3,615,015	106,846,114	107,183,833	3,277,296
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>\$53,022,008</u>	<u>\$156,404,588</u>	<u>\$156,590,826</u>	<u>\$52,835,770</u>

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

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$1,815,364	\$1,815,364	\$0
Permissive Taxes	4,133,540	4,133,540	0
Charges for Services	2,338,275	2,338,275	0
Licenses and Permits	5,387	5,387	0
Fines and Forfeitures	418,287	418,287	0
Intergovernmental	2,855,960	2,855,960	0
Interest	193,883	193,883	0
Other	524,864	524,864	0
Total Revenues	12,285,560	12,285,560	0
<u>Expenditures:</u>			
Current:			
General Government -			
Legislative and Executive			
Commissioners			
Personal Services	251,655	251,655	0
Fringe Benefits	109,879	109,879	0
Materials and Supplies	1,823	1,823	0
Other	15,137	15,137	0
Total Commissioners	378,494	378,494	0
Auditor			
Personal Services	325,802	325,802	0
Fringe Benefits	143,456	143,456	0
Materials and Supplies	10,919	10,919	0
Contractual Services	5,544	5,544	0
Other	6,185	6,185	0
Total Auditor	491,906	491,906	0
Permissive Sales Tax			
Capital Outlay	164,250	164,250	0
Other	274,248	274,248	0
Total Permissive Sales Tax	438,498	438,498	0
Treasurer			
Personal Services	131,233	131,233	0
Fringe Benefits	86,243	86,243	0
Materials and Supplies	13,091	13,018	73
Contractual Services	8,766	8,766	0
Other	583	583	0
Total Treasurer	239,916	239,843	73

(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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Prosecuting Attorney			
Personal Services	\$528,988	\$528,988	\$0
Fringe Benefits	210,487	210,487	0
Materials and Supplies	12,294	12,294	0
Contractual Services	15,012	15,012	0
Other	93,693	93,693	0
	<u>860,474</u>	<u>860,474</u>	<u>0</u>
Total Prosecuting Attorney			
Budget Commission			
Other	463	463	0
	<u>463</u>	<u>463</u>	<u>0</u>
Bureau of Inspection			
Contractual Services	96,522	96,522	0
	<u>96,522</u>	<u>96,522</u>	<u>0</u>
County Planning Commission			
Contractual Services	70,234	70,234	0
Other	38,662	38,662	0
	<u>108,896</u>	<u>108,896</u>	<u>0</u>
Total County Planning Commission			
Data Processing			
Personal Services	221,869	221,869	0
Fringe Benefits	131,388	131,388	0
	<u>353,257</u>	<u>353,257</u>	<u>0</u>
Total Data Processing			
Data Processing Central Purchasing			
Other	59,070	59,070	0
	<u>59,070</u>	<u>59,070</u>	<u>0</u>
Board of Elections			
Personal Services	289,319	289,319	0
Fringe Benefits	138,097	138,097	0
Materials and Supplies	22,202	22,202	0
Contractual Services	179,336	179,336	0
Capital Outlay	12,910	12,910	0
Other	10,412	10,412	0
	<u>652,276</u>	<u>652,276</u>	<u>0</u>
Total Board of Elections			
Recorder			
Personal Services	139,173	139,173	0
Fringe Benefits	95,287	95,287	0
Other	2,309	2,309	0
	<u>236,769</u>	<u>236,769</u>	<u>0</u>
Total Recorder			
	<u>236,769</u>	<u>236,769</u>	<u>0</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Buildings and Grounds			
Personal Services	\$160,003	\$160,003	\$0
Fringe Benefits	130,173	130,173	0
Materials and Supplies	8,196	8,196	0
Contractual Services	324,818	324,818	0
Other	99,353	99,353	0
	<u>722,543</u>	<u>722,543</u>	<u>0</u>
Total Buildings and Grounds			
Insurance			
Contractual Service	152,654	152,654	0
	<u>152,654</u>	<u>152,654</u>	<u>0</u>
Total General Government - Legislative and Executive	<u>4,791,738</u>	<u>4,791,665</u>	<u>73</u>
General Government - Judicial			
Court of Appeals			
Other	19,425	19,425	0
	<u>19,425</u>	<u>19,425</u>	<u>0</u>
Common Pleas			
Personal Services	246,016	246,016	0
Fringe Benefits	107,021	107,021	0
Materials and Supplies	20,730	19,157	1,573
Contractual Services	271,890	271,545	345
Other	4,254	4,147	107
	<u>649,911</u>	<u>647,886</u>	<u>2,025</u>
Total Common Pleas			
Adult Probation			
Personal Services	87,923	87,923	0
Fringe Benefits	57,759	57,759	0
Materials and Supplies	287	287	0
Contractual Services	5,873	5,839	34
	<u>151,842</u>	<u>151,808</u>	<u>34</u>
Total Adult Probation			
Capital Felony			
Contractual Services	21,554	21,554	0
	<u>21,554</u>	<u>21,554</u>	<u>0</u>
Total Capital Felony			
Juvenile Court			
Personal Services	561,885	561,885	0
Fringe Benefits	438,157	438,157	0
Materials and Supplies	21,522	21,522	0
Contractual Services	147,931	147,931	0
Other	76,990	76,990	0
	<u>1,246,485</u>	<u>1,246,485</u>	<u>0</u>
Total Juvenile Court			
	<u>1,246,485</u>	<u>1,246,485</u>	<u>0</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
County Court #2			
Personal Services	\$88,184	\$88,184	\$0
Fringe Benefits	54,627	54,627	0
Materials and Supplies	4,446	4,446	0
Contractual Services	26,106	26,106	0
Other	245	245	0
	<u>173,608</u>	<u>173,608</u>	<u>0</u>
Total County Court #2			
County Court #3			
Personal Services	86,760	86,760	0
Fringe Benefits	43,735	43,735	0
Materials and Supplies	4,248	4,248	0
Contractual Services	31,778	31,778	0
Other	2,305	2,305	0
	<u>168,826</u>	<u>168,826</u>	<u>0</u>
Total County Court #3			
Probate Court			
Personal Services	194,181	194,181	0
Fringe Benefits	107,223	107,223	0
Materials and Supplies	9,000	9,000	0
Contractual Services	2,190	2,190	0
Other	6,974	6,974	0
	<u>319,568</u>	<u>319,568</u>	<u>0</u>
Total Probate Court			
Clerk of Courts			
Personal Services	222,046	222,046	0
Fringe Benefits	145,916	145,916	0
Materials and Supplies	5,419	5,419	0
Contractual Services	2,410	2,410	0
	<u>375,791</u>	<u>375,791</u>	<u>0</u>
Total Clerk of Courts			
County Court			
Personal Services	91,757	91,757	0
Fringe Benefits	58,260	58,260	0
Materials and Supplies	4,904	4,904	0
Contractual Services	48,534	48,534	0
Other	428	428	0
	<u>203,883</u>	<u>203,883</u>	<u>0</u>
Total County Court			

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Municipal Court			
Personal Services	\$75,233	\$75,233	\$0
Fringe Benefits	12,734	12,734	0
Contractual Services	<u>67,411</u>	<u>67,411</u>	<u>0</u>
Total Municipal Court	<u>155,378</u>	<u>155,378</u>	<u>0</u>
Law Library			
Personal Services	25,755	25,755	0
Fringe Benefits	<u>18,330</u>	<u>18,330</u>	<u>0</u>
Total Law Library	<u>44,085</u>	<u>44,085</u>	<u>0</u>
Court Magistrate			
Personal Services	112,165	112,165	0
Fringe Benefits	61,109	61,109	0
Materials and Supplies	1,896	1,896	0
Contractual Services	2,264	2,176	88
Capital Outlay	6,016	4,591	1,425
Other	<u>7,063</u>	<u>7,063</u>	<u>0</u>
Total Court Magistrate	<u>190,513</u>	<u>189,000</u>	<u>1,513</u>
Total General Government - Judicial	<u>3,720,869</u>	<u>3,717,297</u>	<u>3,572</u>
Public Safety			
Coroner			
Personal Services	69,037	69,037	0
Fringe Benefits	39,145	39,145	0
Contractual Services	<u>11,187</u>	<u>11,187</u>	<u>0</u>
Total Coroner	119,369	119,369	0
Courthouse Security			
Contractual Services	150,000	150,000	0
Disaster Services			
Contractual Services	<u>67,000</u>	<u>67,000</u>	<u>0</u>
Total Public Safety	<u>336,369</u>	<u>336,369</u>	<u>0</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Health			
Humane Society			
Other	\$300	\$300	\$0
Agriculture			
Contractual Services	<u>232,487</u>	<u>232,487</u>	<u>0</u>
Total Health	<u>232,787</u>	<u>232,787</u>	<u>0</u>
Human Services			
Veteran's Services			
Personal Services	133,954	133,954	0
Fringe Benefits	66,913	66,913	0
Materials and Supplies	13,240	13,240	0
Contractual Services	228,966	228,966	0
Other	<u>17,059</u>	<u>17,059</u>	<u>0</u>
Total Veteran's Services	460,132	460,132	0
Public Assistance			
Contractual Services	<u>563,621</u>	<u>563,621</u>	<u>0</u>
Total Human Services	<u>1,023,753</u>	<u>1,023,753</u>	<u>0</u>
Other			
Contractual Services	177,280	177,280	0
Other	<u>180,019</u>	<u>180,019</u>	<u>0</u>
Total Other	<u>357,299</u>	<u>357,299</u>	<u>0</u>
Intergovernmental:			
Grants			
Contractual Services	<u>49,999</u>	<u>49,999</u>	<u>0</u>
Total Intergovernmental	<u>49,999</u>	<u>49,999</u>	<u>0</u>
Total Expenditures	<u>10,512,814</u>	<u>10,509,169</u>	<u>3,645</u>
Excess of Revenues Over Expenditures	1,772,746	1,776,391	3,645
<u>Other Financing Use:</u>			
Transfers Out	<u>(1,922,644)</u>	<u>(1,922,644)</u>	<u>0</u>
Net Change in Fund Balance	(149,898)	(146,253)	3,645
Fund Balance at Beginning of Year	1,257,661	1,257,661	0
Prior Year Encumbrances Appropriated	<u>21,501</u>	<u>21,501</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,129,264</u></u>	<u><u>\$1,132,909</u></u>	<u><u>\$3,645</u></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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$9,710,519	\$9,710,519	\$0
Other	1,026,663	1,026,663	0
Total Revenues	<u>10,737,182</u>	<u>10,737,182</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Human Services			
Public Assistance			
Personal Services	2,688,689	2,688,689	0
Fringe Benefits	1,545,197	1,545,197	0
Materials and Supplies	239,118	239,118	0
Contractual Services	5,325,366	5,325,366	0
Capital Outlay	352,974	352,974	0
Other	77,174	77,174	0
Total Expenditures	<u>10,228,518</u>	<u>10,228,518</u>	<u>0</u>
Net Change in Fund Balance	508,664	508,664	0
Fund Balance at Beginning of Year	<u>349,935</u>	<u>349,935</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$858,599</u></u>	<u><u>\$858,599</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Permissive Taxes	\$2,472,050	\$2,472,050	\$0
Licenses and Permits	9,092	9,092	0
Fines and Forfeitures	52,225	52,225	0
Intergovernmental	3,731,330	4,138,649	407,319
Interest	1,342	1,342	0
Other	16,460	16,460	0
Total Revenues	<u>6,282,499</u>	<u>6,689,818</u>	<u>407,319</u>
<u>Expenditures:</u>			
Current:			
Public Works			
Motor Vehicle and Gasoline Tax			
Personal Services	2,013,411	2,013,283	128
Fringe Benefits	1,124,428	1,124,428	0
Materials and Supplies	845,647	842,840	2,807
Contractual Services	628,656	611,707	16,949
Capital Outlay	1,009,788	1,411,607	(401,819)
Other	658,574	657,509	1,065
Total Expenditures	<u>6,280,504</u>	<u>6,661,374</u>	<u>(380,870)</u>
Excess of Revenues Over Expenditures	<u>1,995</u>	<u>28,444</u>	<u>26,449</u>
<u>Other Financing Sources (Uses):</u>			
Bond Anticipation Notes Issued	250,000	250,000	0
Transfers Out	(563,684)	(563,684)	0
Total Other Financing Sources (Uses)	<u>(313,684)</u>	<u>(313,684)</u>	<u>0</u>
Net Change in Fund Balance	(311,689)	(285,240)	26,449
Fund Balance at Beginning of Year	500,452	500,452	0
Prior Year Encumbrances Appropriated	90,558	90,558	0
Fund Balance at End of Year	<u>\$279,321</u>	<u>\$305,770</u>	<u>\$26,449</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$324,602	\$324,602	\$0
Intergovernmental	6,827,547	6,827,547	0
Rent	80,523	80,523	0
Other	11,281	11,281	0
Total Revenues	<u>7,243,953</u>	<u>7,243,953</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Health			
Mental Health			
Personal Services	246,390	246,390	0
Fringe Benefits	117,190	117,190	0
Materials and Supplies	21,534	21,534	0
Contractual Services	7,173,578	7,173,578	0
Capital Outlay	18,220	18,220	0
Other	116,430	116,430	0
Total Expenditures	<u>7,693,342</u>	<u>7,693,342</u>	<u>0</u>
Excess of Revenues Under Expenditures	(449,389)	(449,389)	0
<u>Other Financing Use:</u>			
Transfers Out	<u>(35,000)</u>	<u>(35,000)</u>	<u>0</u>
Net Change in Fund Balance	(484,389)	(484,389)	0
Fund Balance at Beginning of Year	<u>1,806,419</u>	<u>1,806,419</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,322,030</u></u>	<u><u>\$1,322,030</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation and Developmental Disabilities Fund
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$2,583,438	\$2,583,438	\$0
Charges for Services	222,370	222,370	0
Intergovernmental	5,894,769	6,092,363	197,594
Other	263,338	275,503	12,165
Total Revenues	8,963,915	9,173,674	209,759
<u>Expenditures:</u>			
Current:			
Health			
Mental Retardation and Developmental Disabilities			
Personal Services	4,248,185	4,248,185	0
Fringe Benefits	2,949,907	2,949,907	0
Materials and Supplies	399,828	399,828	0
Contractual Services	606,314	816,073	(209,759)
Capital Outlay	9,493	9,493	0
Other	168,704	168,704	0
Total Expenditures	8,382,431	8,592,190	(209,759)
Excess of Revenues Over Expenditures	581,484	581,484	0
<u>Other Financing Use:</u>			
Transfers Out	(50,000)	(50,000)	0
Net Change in Fund Balance	531,484	531,484	0
Fund Balance at Beginning of Year	938,465	938,465	0
Fund Balance at End of Year	<u>\$1,469,949</u>	<u>\$1,469,949</u>	<u>\$0</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$1,128,728	\$1,128,728	\$0
Permissive Taxes	270,432	270,432	0
Charges for Services	1,508,813	1,508,813	0
Intergovernmental	665,770	665,770	0
Total Revenues	<u>3,573,743</u>	<u>3,573,743</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Public Safety			
Jail Operating Levy			
Personal Services	2,036,922	2,036,922	0
Fringe Benefits	1,325,111	1,325,111	0
Materials and Supplies	313,740	313,740	0
Contractual Services	492,324	492,324	0
Capital Outlay	258,732	258,732	0
Other	15,592	15,592	0
Total Expenditures	<u>4,442,421</u>	<u>4,442,421</u>	<u>0</u>
Excess of Revenues Under Expenditures	(868,678)	(868,678)	0
<u>Other Financing Source:</u>			
Transfers In	969,634	969,634	0
Net Change in Fund Balance	100,956	100,956	0
Fund Balance (Deficit) at Beginning of Year	<u>(2,600,957)</u>	<u>(2,600,957)</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$2,500,001)</u></u>	<u><u>(\$2,500,001)</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$870,120	\$870,120	\$0
Special Assessments	30,296	30,296	0
Permissive Taxes	56,724	56,724	0
Other Operating Revenue	1,194	1,194	0
General Obligation Bonds Issued	1,820,000	1,820,000	0
Premium on General Obligation Bonds Issued	63,145	63,145	0
Bond Anticipation Notes Issued	950,000	950,000	0
Total Revenues	<u>3,791,479</u>	<u>3,791,479</u>	<u>0</u>
<u>Expenses:</u>			
Personal Services	280,066	280,025	41
Contractual Services	442,988	415,886	27,102
Materials and Supplies	29,950	18,681	11,269
Other Operating Expenses	0	418	(418)
Capital Outlay	90,660	118,553	(27,893)
Debt Service:			
Principal Retirement	2,759,285	2,759,285	0
Interest and Fiscal Charges	165,630	165,630	0
Issuance Costs	46,928	46,928	0
Total Expenses	<u>3,815,507</u>	<u>3,805,406</u>	<u>10,101</u>
Net Change in Fund Equity	(24,028)	(13,927)	10,101
Fund Equity at Beginning of Year	766,701	766,701	0
Prior Year Encumbrances Appropriated	<u>46,791</u>	<u>46,791</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$789,464</u></u>	<u><u>\$799,565</u></u>	<u><u>\$10,101</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$4,688,369	\$4,688,369	\$0
Tap-In Fees	29,800	29,800	0
Capital Grants	243,715	243,715	0
Interest	20,704	20,704	0
Permissive Taxes	170,172	170,172	0
Other Operating Revenue	5,186	5,186	0
Other Non-Operating Revenue	4,242	4,242	0
General Obligation Bonds Issued	1,855,000	1,855,000	0
Premium on General Obligation Bonds Issued	77,967	77,967	0
Bond Anticipation Notes Issued	750,000	750,000	0
Ohio EPA Loan	105,882	105,882	0
Total Revenues	<u>7,951,037</u>	<u>7,951,037</u>	<u>0</u>
<u>Expenses:</u>			
Personal Services	916,644	916,586	58
Contractual Services	2,288,706	2,212,137	76,569
Materials and Supplies	284,723	265,560	19,163
Other Operating Expenses	7,610	5,160	2,450
Capital Outlay	1,209,036	1,255,694	(46,658)
Debt Service:			
Principal Retirement	3,697,992	3,697,992	0
Interest and Fiscal Charges	271,283	271,283	0
Issuance Costs	47,831	47,831	0
Total Expenses	<u>8,723,825</u>	<u>8,672,243</u>	<u>51,582</u>
Net Change in Fund Equity	(772,788)	(721,206)	(51,582)
Fund Equity at Beginning of Year	2,440,562	2,440,562	0
Prior Year Encumbrances Appropriated	<u>270,484</u>	<u>270,484</u>	<u>0</u>
Fund Equity at End of Year	<u>\$1,938,258</u>	<u>\$1,989,840</u>	<u>\$51,582</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$1,085,512	\$1,085,512	\$0
Licenses and Permits	353,661	353,661	0
Fines and Forfeitures	12,500	12,500	0
Intergovernmental	3,047,546	3,047,546	0
Interest	627	627	0
Rent	14,653	14,653	0
Other	30,631	30,631	0
Total Revenues	<u>4,545,130</u>	<u>4,545,130</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
General Government -			
Legislative and Executive			
Certificate of Auto Title			
Personal Services	147,336	147,336	0
Fringe Benefits	71,592	71,592	0
Materials and Supplies	7,839	7,839	0
Contractual Services	42,257	42,257	0
Capital Outlay	3,908	3,908	0
Other	2,059	2,059	0
Total Certificate of Auto Title	<u>274,991</u>	<u>274,991</u>	<u>0</u>
Real Estate Assessment			
Personal Services	143,020	143,020	0
Fringe Benefits	90,020	90,020	0
Materials and Supplies	6,647	6,617	30
Contractual Services	327,298	324,663	2,635
Other	8,729	6,729	2,000
Total Real Estate Assessment	<u>575,714</u>	<u>571,049</u>	<u>4,665</u>
Delinquent Real/Assess Collection			
Personal Services	86,903	86,903	0
Fringe Benefits	42,154	42,154	0
Materials and Supplies	518	518	0
Contractual Services	58,791	58,791	0
Total Delinquent Real/Assess Collection	<u>188,366</u>	<u>188,366</u>	<u>0</u>
Equipment Recorders Supply			
Materials and Supplies	4,011	4,011	0
Contractual Services	59,619	57,082	2,537
Capital Outlay	41,700	41,699	1
Total Equipment Recorders Supply	<u>105,330</u>	<u>102,792</u>	<u>2,538</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Local Fund (Continued)
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
Geographic Info System			
Materials and Supplies	\$16,044	\$16,044	\$0
Contractual Services	124,039	124,039	0
Total Geographic Info System	140,083	140,083	0
Total General Government - Legislative and Executive	1,284,484	1,277,281	7,203
Public Works			
Recycling			
Capital Outlay	58,876	58,876	0
Beautification			
Personal Services	134,546	134,546	0
Fringe Benefits	91,668	91,668	0
Materials and Supplies	4,736	4,736	0
Contractual Services	3,515	3,515	0
Other	42,826	42,826	0
Total Beautification	277,291	277,291	0
Total Public Works	336,167	336,167	0
Economic Development and Assistance			
Airport Gas Resale			
Materials and Supplies	47,541	47,541	0
Airport			
Personal Services	54,872	54,872	0
Fringe Benefits	24,687	24,687	0
Materials and Supplies	6,961	6,961	0
Contractual Services	9,680	9,680	0
Capital Outlay	1,275,409	1,275,410	(1)
Other	37,047	37,047	0
Total Airport	1,408,656	1,408,657	(1)
Total Economic Development and Assistance	1,456,197	1,456,198	(1)

(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, 2004

	Final Budget	Actual	Variance Positive (Negative)
Health			
Dog and Kennel			
Personal Services	\$69,709	\$69,709	\$0
Fringe Benefits	54,962	54,962	0
Materials and Supplies	6,184	6,184	0
Other	9,057	9,057	0
Total Health	<u>139,912</u>	<u>139,912</u>	<u>0</u>
Human Services			
Child Support Enforcement Agency			
Personal Services	509,784	509,784	0
Fringe Benefits	291,661	291,661	0
Materials and Supplies	3,208	3,208	0
Contractual Services	311,355	311,355	0
Other	421,684	421,684	0
Total Human Services	<u>1,537,692</u>	<u>1,537,692</u>	<u>0</u>
Total Expenditures	<u>4,754,452</u>	<u>4,747,250</u>	<u>7,202</u>
Excess of Revenues Under Expenditures	<u>(209,322)</u>	<u>(202,120)</u>	<u>7,202</u>
<u>Other Financing Sources (Uses):</u>			
Transfers In	208,024	208,024	0
Transfers Out	<u>(2,101)</u>	<u>(2,101)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>205,923</u>	<u>205,923</u>	<u>0</u>
Net Change in Fund Balance	(3,399)	3,803	7,202
Fund Balance at Beginning of Year	1,533,475	1,533,475	0
Prior Year Encumbrances Appropriated	<u>122,850</u>	<u>122,850</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,652,926</u></u>	<u><u>\$1,660,128</u></u>	<u><u>\$7,202</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$141,694	\$141,694	\$0
Licenses and Permits	21,905	21,905	0
Fines and Forfeitures	6,512	6,512	0
Intergovernmental	1,732,653	1,732,653	0
Other	15,492	15,492	0
Total Revenues	<u>1,918,256</u>	<u>1,918,256</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
General Government - Judicial			
County Probation Services			
Materials and Supplies	5,845	5,845	0
Contractual Services	4,960	4,012	948
Capital Outlay	0	0	0
Total County Probation Services	<u>10,805</u>	<u>9,857</u>	<u>948</u>
Conduct of Business			
Other	484	484	0
Court Computer			
Contractual Services	68,732	68,732	0
Indigent Drivers Alcohol Treatment			
Contractual Services	84,800	84,800	0
Indigent Guardianship			
Contractual Services	14,631	14,631	0
Juvenile Court Computer			
Other	1,500	1,500	0
Juvenile Computer Equipment			
Capital Outlay	5,100	5,100	0
Probate Court Computer			
Contractual Services	3,913	3,913	0
Probate Computer Equipment			
Materials and Supplies	3,928	3,928	0
Contractual Services	15,958	15,958	0
Total Probate Computer Equipment	<u>19,886</u>	<u>19,886</u>	<u>0</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2004

	Final Budget	Actual	Variance Positive (Negative)
Drug Court Treatment			
Materials and Supplies	\$1,505	\$1,505	\$0
Contractual Services	29,325	29,325	0
Total Drug Court Treatment	30,830	30,830	0
Clerk of Courts			
Contractual Services	5,175	5,175	0
Total General Government - Judicial	245,856	244,908	948
Public Safety			
Juvenile Probation Fees			
Other	1,757	1,757	0
Juvenile Special Projects			
Other	219	219	0
PSN Gun Prosecution			
Personal Services	37,029	37,029	0
Fringe Benefits	18,144	18,144	0
Materials and Supplies	6,382	6,382	0
Contractual Services	4,810	4,810	0
Total PSN Gun Prosecution	66,365	66,365	0
Concealed Handgun			
Materials and Supplies	8,200	8,200	0
Contractual Services	9,115	9,115	0
Total Concealed Handgun	17,315	17,315	0
Juvenile Probation Services Enhancement			
Materials and Supplies	4,564	4,564	0
Contractual Services	350,891	350,891	0
Total Juvenile Probation Services Enhancement	355,455	355,455	0
Juvenile Multiple Handicap Assessment			
Materials and Supplies	573	573	0
Other	364	364	0
Total Juvenile Multiple Handicap Assessment	937	937	0
Juvenile Drug Court Implementation			
Contractual Services	44,350	44,350	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, 2004

	Final Budget	Actual	Variance Positive (Negative)
Mediation Juvenile Program			
Contractual Services	\$161,777	\$161,777	\$0
Felony Delinquent Care and Custody			
Personal Services	108,057	108,057	0
Fringe Benefits	192,293	192,293	0
Materials and Supplies	957	957	0
Contractual Services	199,980	199,980	0
Other	27,810	27,810	0
Total Felony Delinquent Care and Custody	529,097	529,097	0
Sexual Offender Treatment Program			
Materials and Supplies	4,267	4,267	0
Contractual Services	9,936	9,936	0
Other	2,704	2,704	0
Total Sexual Offender Treatment Program	16,907	16,907	0
Crime Victims Assistance Office			
Personal Services	33,701	33,701	0
Fringe Benefits	15,703	15,703	0
Total Crime Victims Assistance Office	49,404	49,404	0
CPP			
Personal Services	49,573	49,573	0
Fringe Benefits	18,880	18,880	0
Materials and Supplies	7,468	7,468	0
Contractual Services	57,553	57,553	0
Other	5,471	5,471	0
Total CPP	138,945	138,945	0
Status Offender Program			
Personal Services	60,995	60,995	0
Other	1,501	1,501	0
Total Status Offender Program	62,496	62,496	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, 2004

	Final Budget	Actual	Variance Positive (Negative)
TANF			
Contractual Services	\$17,097	\$17,097	\$0
Community Corrections Act			
Personal Services	41,753	41,753	0
Fringe Benefits	23,971	23,971	0
Materials and Supplies	83	83	0
Total Community Corrections Act	65,807	65,807	0
Prisoner Incentive			
Capital Outlay	8,979	8,750	229
Law Enforcement Trust			
Contractual Services	12,109	12,109	0
CTC Expansion Project 1L			
Contractual Services	52,081	52,081	0
Anti Drug Abuse Coalition			
Other	19	19	0
Juvenile Court Tobacco Program			
Contractual Services	700	700	0
Total Public Safety	1,601,816	1,601,587	229
Total Expenditures	1,847,672	1,846,495	1,177
Excess of Revenues Over Expenditures	70,584	71,761	1,177
<u>Other Financing Source:</u>			
Transfers In	12,709	12,709	0
Net Change in Fund Balance	83,293	84,470	1,177
Fund Balance at Beginning of Year	854,903	854,903	0
Prior Year Encumbrances Appropriated	2,548	2,548	0
Fund Balance at End of Year	\$940,744	\$941,921	\$1,177

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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$1,253,179	\$1,253,179	\$0
Intergovernmental	341,244	341,244	0
Rent	35,699	35,699	0
Total Revenues	<u>1,630,122</u>	<u>1,630,122</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Public Safety			
Emergency 911			
Personal Services	444,076	444,076	0
Fringe Benefits	207,584	207,584	0
Materials and Supplies	4,985	4,985	0
Contractual Services	242,660	242,660	0
Capital Outlay	53,773	53,773	0
Other	28,758	28,758	0
Total Expenditures	<u>981,836</u>	<u>981,836</u>	<u>0</u>
Excess of Revenues Over Expenditures	648,286	648,286	0
<u>Other Financing Use:</u>			
Transfers Out	<u>(339,135)</u>	<u>(339,135)</u>	<u>0</u>
Net Change in Fund Balance	309,151	309,151	0
Fund Balance at Beginning of Year	<u>108,916</u>	<u>108,916</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$418,067</u></u>	<u><u>\$418,067</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Sheriff Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Permissive Taxes	\$1,612,738	\$1,612,738	\$0
Charges for Services	317,425	317,425	0
Intergovernmental	180,045	180,045	0
Other	1,040	1,040	0
Total Revenues	<u>2,111,248</u>	<u>2,111,248</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Public Safety			
Permissive Sheriff			
Personal Services	1,334,054	1,334,054	0
Fringe Benefits	888,342	888,342	0
Materials and Supplies	107,963	107,963	0
Contractual Services	35,563	35,563	0
Capital Outlay	74,887	74,887	0
Other	36,456	36,456	0
Total Expenditures	<u>2,477,265</u>	<u>2,477,265</u>	<u>0</u>
Excess of Revenues Under Expenditures	(366,017)	(366,017)	0
<u>Other Financing Source:</u>			
Transfers In	655,366	655,366	0
Net Change in Fund Balance	289,349	289,349	0
Fund Balance (Deficit) at Beginning of Year	<u>(789,349)</u>	<u>(789,349)</u>	<u>0</u>
Fund Balance (Deficit) at End of Year	<u><u>(\$500,000)</u></u>	<u><u>(\$500,000)</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Tuberculosis/Crippled Child Levy Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$2,793	\$2,793	\$0
Intergovernmental	67,554	67,554	0
Other	1,778	1,778	0
Total Revenues	<u>72,125</u>	<u>72,125</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Health			
Tuberculosis Levy			
Materials and Supplies	447	447	0
Contractual Services	92,955	89,354	3,601
Total Tuberculosis Levy	<u>93,402</u>	<u>89,801</u>	<u>3,601</u>
Crippled Child Levy			
Other	77,660	77,660	0
Total Expenditures	<u>171,062</u>	<u>167,461</u>	<u>3,601</u>
Net Change in Fund Balance	(98,937)	(95,336)	3,601
Fund Balance at Beginning of Year	2,393,929	2,393,929	0
Prior Year Encumbrances Appropriated	3,909	3,909	0
Fund Balance at End of Year	<u><u>\$2,298,901</u></u>	<u><u>\$2,302,502</u></u>	<u><u>\$3,601</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Property Taxes	\$725,364	\$725,364	\$0
Charges for Services	505,558	505,558	0
Intergovernmental	3,151,454	3,151,454	0
Other	121,122	121,122	0
Total Revenues	<u>4,503,498</u>	<u>4,503,498</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Human Services			
Children Services Levy			
Personal Services	1,451,327	1,451,327	0
Fringe Benefits	1,003,270	1,003,270	0
Materials and Supplies	40,899	40,899	0
Contractual Services	1,902,616	1,902,616	0
Capital Outlay	10,804	10,804	0
Other	57,561	57,561	0
Total Expenditures	<u>4,466,477</u>	<u>4,466,477</u>	<u>0</u>
Net Change in Fund Balance	37,021	37,021	0
Fund Balance at Beginning of Year	<u>453,218</u>	<u>453,218</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$490,239</u></u>	<u><u>\$490,239</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$1,174,629	\$1,174,629	\$0
Other	2,169	2,169	0
Total Revenues	<u>1,176,798</u>	<u>1,176,798</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Economic Development and Assistance Community Development Block Grant			
Contractual Services	1,196,282	1,196,282	0
Other	14,823	14,823	0
Total Expenditures	<u>1,211,105</u>	<u>1,211,105</u>	<u>0</u>
Net Change in Fund Balance	(34,307)	(34,307)	0
Fund Balance at Beginning of Year	<u>39,688</u>	<u>39,688</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,381</u></u>	<u><u>\$5,381</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Federal Emergency Management Assistance Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$470,859	\$470,859	\$0
<u>Expenditures:</u>			
Current:			
Public Safety			
Federal Emergency Management Agency			
Contractual Services	468,688	468,688	0
Total Public Safety	468,688	468,688	0
Intergovernmental	2,171	2,171	0
Total Expenditures	470,859	470,859	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	0	0	0
Fund Balance at 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, 2004

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property Taxes	\$1,108,001	\$1,108,001	\$0
Permissive Taxes	371,615	371,615	0
Intergovernmental	137,461	137,461	0
Rent	339,055	339,055	0
Total Revenues	<u>1,956,132</u>	<u>1,956,132</u>	<u>0</u>
<u>Expenditures:</u>			
Debt Service:			
Principal Retirement	2,013,061	2,013,061	0
Interest and Fiscal Charges	1,262,414	1,262,414	0
Total Debt Service	<u>3,275,475</u>	<u>3,275,475</u>	<u>0</u>
Excess of Revenues Under Expenditures	<u>(1,319,343)</u>	<u>(1,319,343)</u>	<u>0</u>
<u>Other Financing Sources:</u>			
Premium on General Obligation Bonds Issued	22,949	22,949	0
Transfers In	981,831	981,831	0
Total Other Financing Sources	<u>1,004,780</u>	<u>1,004,780</u>	<u>0</u>
Net Change in Fund Balance	(314,563)	(314,563)	0
Fund Balance at Beginning of Year	<u>1,807,896</u>	<u>1,807,896</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,493,333</u></u>	<u><u>\$1,493,333</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$60,000	\$60,000	\$0
Other	21,940	21,940	0
Total Revenues	81,940	81,940	0
<u>Expenditures:</u>			
Capital Outlay			
Mental Retardation	40,846	40,846	0
Excess of Revenues Over Expenditures	41,094	41,094	0
<u>Other Financing Source:</u>			
Transfers In	85,000	85,000	0
Net Change in Fund Balance	126,094	126,094	0
Fund Balance at Beginning of Year	485,912	485,912	0
Fund Balance at End of Year	<u>\$612,006</u>	<u>\$612,006</u>	<u>\$0</u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Jail Construction Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay			
Jail Construction			
Contractual Services	6,767	6,767	0
Debt Service:			
Principal Retirement	4,243,417	4,243,417	0
Interest and Fiscal Charges	81,602	81,602	0
Issuance Costs	111,777	111,777	0
Total Expenditures	4,443,563	4,443,563	0
Excess of Revenues Under Expenditures	(4,443,563)	(4,443,563)	0
<u>Other Financing Sources:</u>			
General Obligation Bonds Issued	4,335,000	4,335,000	0
Premium on General Obligation Bonds Issued	108,563	108,563	0
Total Other Financing Sources	4,443,563	4,443,563	0
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	3,553	3,553	0
Fund Balance at End of Year	<u>\$3,553</u>	<u>\$3,553</u>	<u>\$0</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, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$8,574,898	\$8,574,898	\$0
Other Operating Revenue	479,112	479,112	0
Total Revenues	<u>9,054,010</u>	<u>9,054,010</u>	<u>0</u>
<u>Expenses:</u>			
Contractual Services	1,138,334	1,138,334	0
Claims	6,253,792	6,253,792	0
Total Expenses	<u>7,392,126</u>	<u>7,392,126</u>	<u>0</u>
Net Change in Fund Equity	1,661,884	1,661,884	0
Fund Equity (Deficit) at Beginning of Year	<u>(8,845,489)</u>	<u>(8,845,489)</u>	<u>0</u>
Fund Equity (Deficit) at End of Year	<u><u>(\$7,183,605)</u></u>	<u><u>(\$7,183,605)</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance - Workers' Compensation Fund
For the Year Ended December 31, 2004

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$1,194,695	\$1,194,695	\$0
Other Non-Operating Revenues	<u>22,881</u>	<u>22,881</u>	<u>0</u>
Total Revenues	<u>1,217,576</u>	<u>1,217,576</u>	<u>0</u>
<u>Expenses:</u>			
Contractual Services	454,402	454,402	0
Claims	<u>333,272</u>	<u>333,272</u>	<u>0</u>
Total Expenses	<u>787,674</u>	<u>787,674</u>	<u>0</u>
Net Change in Fund Equity	429,902	429,902	0
Fund Equity at Beginning of Year	<u>4,102,057</u>	<u>4,102,057</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$4,531,959</u></u>	<u><u>\$4,531,959</u></u>	<u><u>\$0</u></u>

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Statistical Section

Statistical Section

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

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

	<u>2004 (1)</u>	<u>2003 (1)</u>	<u>2002 (1)</u>	<u>2001</u>	<u>2000</u>
General Government:					
Legislative and Executive	\$4,731,228	\$4,719,734	\$5,074,323	\$5,028,648	\$5,155,992
Judicial	3,805,274	3,541,116	3,390,391	3,075,791	3,245,423
Public Safety	337,507	709,081	119,497	311,644	929,074
Public Works	0	0	0	15,230	183,643
Health	232,976	227,774	282,393	267,807	387,358
Human Services	1,016,995	990,784	877,699	894,109	826,458
Economic Development	0	0	0	0	125,893
Other	357,299	611,041	554,592	477,797	411,079
Capital Outlay	0	24,663	0	11,987	0
Intergovernmental	49,999	59,999	40,500	143,765	181,168
Principal Retirement	3,276	23,877	35,626	33,211	0
Interest and Fiscal Charges	<u>236</u>	<u>3,163</u>	<u>2,866</u>	<u>6,620</u>	<u>0</u>
Total Expenditures	<u><u>\$10,534,790</u></u>	<u><u>\$10,911,232</u></u>	<u><u>\$10,377,887</u></u>	<u><u>\$10,266,609</u></u>	<u><u>\$11,446,088</u></u>

(1) - Includes modified accrual information only.

Source: Jefferson County Auditor

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$4,733,044	\$4,830,432	\$4,683,961	\$5,092,457	\$4,465,601
2,784,616	2,685,234	2,547,965	2,197,547	2,092,597
131,471	149,254	133,869	121,342	121,715
180,300	168,200	179,106	0	158,619
373,922	368,540	340,874	258,504	203,395
847,208	896,019	933,746	1,154,815	235,875
133,812	359,424	158,484	156,381	0
72,382	113,942	378,880	3,361	0
0	0	0	0	0
172,986	176,137	169,930	195,383	71,212
0	0	0	0	2,073
<u>0</u>	<u>1,399</u>	<u>26,544</u>	<u>44,045</u>	<u>97,980</u>
<u><u>\$9,429,741</u></u>	<u><u>\$9,748,581</u></u>	<u><u>\$9,553,359</u></u>	<u><u>\$9,223,835</u></u>	<u><u>\$7,449,067</u></u>

JEFFERSON COUNTY, OHIO

General Fund Revenues by Source

Last Ten Years

	<u>2004 (1)</u>	<u>2003 (1)</u>	<u>2002 (1)</u>	<u>2001</u>	<u>2000</u>
Property Taxes	\$1,802,393	\$1,734,045	\$1,725,032	\$2,179,948	\$1,939,289
Permissive Tax	4,299,136	4,031,020	3,975,249	3,738,870	3,745,132
Charges for Services	2,267,631	2,327,390	2,226,229	1,713,866	1,658,858
Licenses and Permits	5,387	6,344	4,685	4,885	0
Fines and Forfeitures	398,328	384,862	263,397	394,154	234,803
Intergovernmental	2,907,786	2,865,211	2,809,891	2,979,094	2,668,001
Interest	178,219	238,531	401,982	995,506	1,417,097
Rent	0	0	1,650	12,035	10,012
Other	<u>394,315</u>	<u>400,952</u>	<u>365,560</u>	<u>184,103</u>	<u>1,211,636</u>
Total Revenues	<u>\$12,253,195</u>	<u>\$11,988,355</u>	<u>\$11,773,675</u>	<u>\$12,202,461</u>	<u>\$12,884,828</u>

(1) - Includes modified accrual information only. Once a significant number of years of full accrual information has been obtained, it will be included in a separate table

Source: Jefferson County Auditor

<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$1,923,662	\$1,873,329	\$1,388,517	\$2,243,816	\$1,906,152
3,571,762	3,968,361	3,696,679	3,813,018	3,382,041
1,501,198	1,538,214	1,300,002	1,395,470	1,222,011
0	72,077	8,135	8,315	8,240
114,872	261,195	171,975	223,735	291,464
2,584,139	2,345,540	2,300,171	1,725,081	2,188,871
1,119,105	991,804	761,544	498,061	616,461
9,925	11,026	45,048	49,807	39,491
<u>115,271</u>	<u>177,962</u>	<u>425,813</u>	<u>238,020</u>	<u>73,906</u>
<u><u>\$10,939,934</u></u>	<u><u>\$11,239,508</u></u>	<u><u>\$10,097,884</u></u>	<u><u>\$10,195,323</u></u>	<u><u>\$9,728,637</u></u>

JEFFERSON COUNTY, OHIO

Property Tax Levies and Collections

Real and Public Utility Taxes

Last Ten Years

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2004	\$41,859,781	\$40,532,707	96.83%	\$1,958,302	\$42,491,009
2003	40,165,455	38,832,118	96.68%	1,591,492	40,423,610
2002	39,037,712	37,807,239	96.85%	1,663,993	39,471,232
2001	49,139,104	47,833,872	97.34%	1,354,347	49,188,219
2000	45,115,236	45,115,236	100.00%	1,231,287	46,346,523
1999	46,785,513	45,667,358	97.61%	1,389,985	47,057,343
1998	46,574,714	45,368,028	97.41%	795,031	46,163,059
1997	45,096,566	43,988,978	97.54%	1,099,851	45,088,829
1996	43,848,774	42,886,926	97.81%	903,284	43,790,210
1995	42,928,015	42,078,633	98.02%	967,540	43,046,173

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

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

Source: Jefferson County Auditor

Percent of Collections to Current Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes to Current Tax Levy
101.51%	\$5,003,258	11.95%
100.64%	5,283,118	13.15%
101.11%	5,141,530	13.17%
100.10%	4,932,325	10.04%
102.73%	4,469,298	9.91%
100.58%	4,096,522	8.76%
99.12%	3,957,000	8.50%
99.98%	3,252,206	7.21%
99.87%	2,868,900	6.54%
100.28%	2,626,413	6.12%

JEFFERSON COUNTY, OHIO

Property Tax Levies and Collections

Tangible Personal Property Taxes

Last Ten Years

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collected</u>	<u>Outstanding Delinquent Taxes (1)</u>
2004	\$7,231,448	\$7,071,014	\$34,936	\$7,105,950	7,075,528
2003	8,072,306	7,957,062	70,469	8,027,531	6,585,145
2002	5,816,268	5,657,258	110,825	5,768,083	6,031,171
2001	6,312,008	6,179,833	97,644	6,277,477	5,978,541
2000	9,315,459	8,443,478	569,201	9,012,679	6,255,773
1999	8,949,296	7,899,617	113,128	8,012,745	4,150,723
1998	7,927,285	7,123,769	103,250	7,227,019	5,809,549
1997	9,588,398	7,129,079	38,649	7,167,728	4,059,524
1996	6,952,882	6,542,782	33,368	6,576,150	3,326,972
1995	7,384,302	7,219,403	79,012	7,298,415	2,948,639

(1) - Amount includes interest and penalties

Source: Jefferson County Auditor

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

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value (1)
2004	\$773,709,490	\$2,210,598,543	\$208,000,650	\$594,287,571	\$143,704,645	\$574,818,580
2003	715,324,780	2,043,785,086	208,221,340	594,918,114	120,137,070	480,548,280
2002	710,144,460	2,028,984,171	203,524,140	581,497,543	112,992,494	451,969,976
2001	709,278,810	2,026,510,886	204,389,790	583,970,829	115,978,614	463,914,456
2000	706,385,800	2,018,245,143	414,211,860	470,695,295	116,037,125	464,148,500
1999	576,107,630	1,646,021,800	416,032,490	472,764,193	142,000,742	568,002,968
1998	569,433,660	1,626,953,314	422,466,140	480,075,159	141,362,823	565,451,292
1997	563,355,090	1,609,585,971	422,628,880	480,260,091	128,468,415	513,873,660
1996	520,185,810	1,486,245,171	423,463,930	481,209,011	122,595,923	490,383,692
1995	519,558,460	1,484,452,743	448,915,360	510,131,091	114,787,870	459,151,480

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

Source: Jefferson County Auditor

Totals

Assessed Value	Estimated Actual Value (1)	Ratio
\$1,125,414,785	\$3,379,704,694	33.3%
1,043,683,190	3,119,251,480	33.5%
1,026,661,094	3,062,451,690	33.5%
1,029,647,214	3,074,396,171	33.5%
1,236,634,785	2,953,088,938	41.9%
1,134,140,862	2,686,788,961	42.2%
1,133,262,623	2,672,479,765	42.4%
1,114,452,385	2,603,719,722	42.8%
1,066,245,663	2,457,837,874	43.4%
1,083,261,690	2,453,735,314	44.1%

JEFFERSON COUNTY, OHIO

Property Tax Rates

Direct and Overlapping Governments

(Per \$1,000 of Assessed Value)

Last Ten Years

<u>County Units</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>
General Fund	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85
Mental Health	0.50	0.50	0.50	0.50	0.50	0.50
Mental Health & Retardation	1.80	1.80	1.80	1.80	1.80	1.80
Tuberculosis & Crippled Children	0.00	0.00	0.30	0.30	0.30	0.30
Children's Services	1.00	1.00	1.00	1.00	1.00	1.00
Bond/jail (\$15,000,000)	1.10	1.10	1.10	1.10	1.10	1.10
Mental Health & Retardation - Jeffco.	1.70	1.70	1.70	1.70	1.70	1.70
911 System	1.50	1.50	1.00	1.00	1.00	1.00
Jail Operating & Equipment	1.50	1.50	1.50	1.50	1.50	1.50
	10.95	10.95	10.75	10.75	10.75	10.75
<u>Corporations:</u>						
Adena	25.00	25.00	25.00	25.00	20.00	20.00
Amsterdam	19.40	19.40	19.40	19.40	19.40	19.40
Bergholz	8.20	8.20	8.20	8.20	8.20	8.20
Bloomington	8.40	8.40	8.40	8.40	8.40	8.40
Dillonvale	16.90	16.90	16.90	16.90	16.90	16.90
Empire	13.70	13.70	12.20	12.20	12.20	12.20
Irondale	11.00	11.00	11.00	11.00	11.00	11.00
Mingo Junction	9.80	9.80	6.80	7.80	7.80	7.80
Mt. Pleasant	26.90	26.90	26.90	26.90	26.90	26.90
New Alexandria	7.40	2.40	7.40	7.40	7.40	7.40
Rayland	6.70	6.70	6.70	6.70	6.70	6.70
Richmond	14.40	14.40	14.40	14.40	14.40	14.40
Smithfield	25.30	25.30	26.30	26.30	23.30	23.30
Steubenville	8.90	8.90	7.90	7.90	7.90	7.90
Stratton	5.00	5.00	3.50	3.50	3.50	3.50
Tiltonsville	16.20	12.70	12.70	12.70	12.70	12.70
Toronto	7.00	7.00	3.40	3.40	3.90	3.90
Wintersville	6.80	6.80	6.80	6.80	6.80	6.80
Yorkville	10.45	10.45	10.45	10.45	11.30	10.95
<u>Townships:</u>						
Brush Creek	4.20	4.20	4.20	4.20	3.70	3.70
Cross Creek	8.90	8.90	8.90	8.90	8.90	8.90
Island Creek	8.70	8.70	8.70	8.70	8.70	8.70
Knox	9.70	9.70	9.70	8.20	5.20	5.20
Mt. Pleasant	6.10	6.10	6.10	6.10	6.10	6.10
Ross	3.70	3.70	3.70	3.70	2.70	2.70
Salem	6.50	6.50	6.50	6.50	6.50	6.50
Saline	3.80	3.80	3.80	3.80	3.80	3.80
Smithfield	5.10	5.10	5.10	5.10	5.10	5.10
Springfield	8.20	8.20	8.20	8.20	8.20	8.20
Steubenville	4.10	4.10	4.10	4.10	4.10	4.10
Warren	5.80	5.80	5.80	5.80	5.80	5.80
Wayne	11.90	11.90	11.90	11.90	11.90	11.90
Wells	6.00	6.00	6.00	6.00	6.00	6.00
<u>School Districts</u>						
Buckeye Local School District	30.60	30.60	30.50	30.50	30.50	31.35
Edison Local School District	30.40	30.40	30.40	30.40	30.40	30.50
Indian Creek Local School District	39.10	39.10	39.10	39.10	39.10	39.10
Steubenville City School District	35.35	35.95	36.45	36.45	36.80	36.80
Toronto City School District	37.65	37.65	37.65	37.65	37.65	37.65
<u>Joint Vocational School</u>						
Jefferson County JVS	1.50	1.50	1.50	1.50	1.50	1.50
<u>College</u>						
Community College	1.00	1.00	1.00	1.00	1.00	1.00

Source: Jefferson County Auditor

<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>
\$1.85	\$1.85	\$1.85	\$1.85
0.50	0.50	0.50	0.50
1.80	1.80	1.80	1.80
0.30	0.30	0.30	0.30
1.00	1.00	1.00	1.00
1.10	1.10	1.10	1.10
1.70	1.70	1.70	1.70
1.00	1.00	0.65	0.65
1.50	1.50	1.50	1.50
10.75	10.75	10.40	10.40

20.00	20.00	20.00	20.00
16.70	16.70	16.70	13.70
8.20	8.20	8.20	8.20
8.40	8.40	8.40	8.40
16.90	16.90	16.90	16.90
12.20	12.20	12.70	12.20
11.00	11.00	11.00	11.00
7.80	7.80	7.80	7.80
26.90	22.90	22.90	14.90
7.40	7.40	7.40	7.40
6.70	6.70	6.70	6.70
14.40	14.40	14.40	14.40
23.30	24.30	24.30	24.30
9.20	9.20	9.20	9.20
3.50	3.50	4.00	3.50
12.70	12.70	12.70	7.80
6.40	6.40	3.40	3.40
9.80	9.80	9.80	9.80
10.95	10.95	10.95	10.95

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

31.35	31.35	31.35	31.35
30.50	30.50	30.50	30.50
39.10	39.10	39.10	31.20
34.70	34.70	34.70	34.70
44.05	44.05	44.05	44.05

1.50	1.50	1.50	1.50
------	------	------	------

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

Year	Special Assessments Billed	Special Assessments Collected	Percent Collected	Outstanding Delinquent (1)
2004 (2)	\$47,701	\$30,296	63.51%	\$19,094
2003	226,727	34,953	15.42%	191,774
2002	218,551	32,686	14.96%	186,957
2001	224,006	47,643	21.27%	182,160
2000	209,962	46,579	22.18%	170,069
1999	179,519	38,812	21.62%	145,411
1998	161,293	35,759	22.17%	130,648
1997	147,117	33,146	22.53%	119,165
1996	135,953	29,828	21.94%	110,122
1995	124,196	27,584	22.21%	100,599

(1) Includes interest and penalties for outstanding delinquencies including those deemed to be uncollectible for reporting purposes

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

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO
Computation of Legal Debt Margin
December 31, 2004

	<u>Total Debt Limit (1)</u>	<u>Total Unvoted Debt Limit (2)</u>
Assessed Value of County, Collection Year 2004	\$1,125,414,785	\$1,125,414,785
Debt Limitation	26,635,370	11,254,148
Total Outstanding Debt:		
General Obligation Bonds	30,232,219	30,232,219
Revenue Bonds	61,000	61,000
OWDA Loans	4,720,975	4,720,975
OPWC Loans	782,697	782,697
OEPA Loans	105,882	105,882
Notes	<u>1,467,640</u>	<u>1,467,640</u>
Total	37,370,413	37,370,413
Exemptions:		
General Obligation Bonds	29,312,219	29,312,219
Revenue Bonds	61,000	61,000
OWDA Loans	4,720,975	4,720,975
OPWC Loans	782,697	782,697
OEPA Loans	105,882	105,882
Notes:		
Water Revenue Notes	750,000	750,000
Amount Available in Debt Service Fund	<u>1,811,204</u>	<u>1,811,204</u>
Total	<u>37,543,977</u>	<u>37,543,977</u>
Net Debt	<u><u>-\$173,564</u></u>	<u><u>-\$173,564</u></u>
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	<u><u>\$26,635,370</u></u>	<u><u>\$11,254,148</u></u>

(1) The Debt Limitation is calculated as follows:

Assessed valuation up to \$300,000,000	\$6,000,000
2 1/2 percent of amount of assessed value in excess of \$300,000,000	<u>20,635,370</u>
	<u><u>\$26,635,370</u></u>

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

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

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

<u>Year</u>	<u>Population</u>	<u>Assessed Value</u>	<u>Gross Bonded Debt (1)</u>	<u>Debt Service Monies Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2004	71,420	\$1,125,414,785	\$30,232,219	\$1,811,204	\$28,421,015	2.53%	\$397.94
2003	71,888	1,043,683,190	23,907,219	2,017,073	21,890,146	2.10%	304.50
2002	72,402	1,026,661,094	25,527,219	2,311,876	23,215,343	2.26%	320.65
2001	72,855	1,029,647,214	27,087,219	1,935,010	25,152,209	2.44%	345.24
2000	73,894	1,236,634,785	28,582,219	1,306,301	27,275,918	2.21%	369.12
1999	73,662	1,134,140,862	29,842,219	1,430,851	28,411,368	2.51%	385.70
1998	74,558	1,114,452,385	30,902,219	1,197,938	29,704,281	2.67%	398.41
1997	76,014	1,066,245,663	16,475,000	1,581,075	14,893,925	1.40%	195.94
1996	77,037	1,073,746,960	16,915,000	1,462,935	15,452,065	1.44%	200.58
1995	77,968	1,084,003,820	17,335,000	(381,064)	17,716,064	1.63%	227.22

(1) Includes only General Obligation Bonds

Source: Jefferson County Auditor

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

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service To Total General Fund Expenditures</u>
2004	\$1,685,000	\$1,215,193	\$2,900,193	\$10,534,790	27.53%
2003	1,620,000	1,293,186	2,913,186	10,911,232	26.70%
2002	1,560,000	1,367,558	2,927,558	10,377,887	28.21%
2001	1,495,000	1,440,413	2,935,413	10,266,609	28.59%
2000	1,260,000	1,502,188	2,762,188	11,446,088	24.13%
1999	1,060,000	1,554,678	2,614,678	9,429,741	27.73%
1998	1,055,000	1,317,867	2,372,867	9,748,581	24.34%
1997	440,000	1,164,425	1,604,425	9,553,359	16.79%
1996	420,000	1,189,406	1,609,406	9,223,835	17.45%
1995	315,000	1,101,999	1,416,999	7,449,067	19.02%

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

*Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2004*

<u>Political Subdivision</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable To County (2)</u>	<u>Amount Applicable To County</u>
Jefferson County	\$30,232,219	100.00%	<u>\$30,232,219</u>
Cities Wholly Within County	0	100.00	0
Villages Wholly Within County	0	100.00	0
School Districts Wholly Within County	8,933,334	100.00	8,933,334
Buckeye Local School District	3,401,897	89.36	3,039,935
Jefferson County Joint Vocational School District	351,000	97.34	341,663
Southern Local School District	2,869,999	1.46	<u>41,902</u>
Total Overlapping Debt Only			<u>12,356,834</u>
Total Applicable to Jefferson County			<u><u>\$42,589,053</u></u>

(1) Includes only General Obligation Bonded Debt.

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

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

Revenue Bond Coverage - Water Fund

Last Ten Years

Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (3)			Coverage
				Principal	Interest and Fiscal Charges	Total	
2004	\$4,773,778	\$3,101,615	\$1,672,163	\$71,000	\$4,053	\$75,053	22.28
2003	4,198,098	2,752,511	1,445,587	69,000	6,993	75,993	19.02
2002	3,820,188	2,708,552	1,111,636	63,000	9,765	72,765	15.28
2001	3,037,379	2,600,027	437,352	60,000	12,348	72,348	6.05
2000	3,152,461	2,525,840	626,621	58,000	14,826	72,826	8.60
1999	3,077,663	2,202,212	875,451	56,000	17,220	73,220	11.96
1998	2,915,440	2,348,500	566,940	54,000	19,530	73,530	7.71
1997	2,579,262	1,702,331	876,931	51,000	21,720	72,720	12.06
1996	3,072,079	1,596,632	1,475,447	49,000	23,680	72,680	20.30
1995	2,390,594	1,516,456	874,138	47,000	25,560	72,560	12.05

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

(2) Total operating expenses exclusive of depreciation

(3) Includes principal and interest of revenue bonds only

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

Demographic Statistics

December 31, 2004

Total Population	71,420	(1)
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Sex

Male	34,072	(2)
Female	37,348	

Age

Under 5 Years	3,731	(2)
5 to 9 Years	4,188	
10 to 14 Years	4,511	
15 to 19 Years	4,901	
20 to 24 Years	4,025	
25 to 34 Years	7,818	
35 to 44 Years	10,444	
45 to 54 Years	10,840	
55 to 59 Years	3,890	
60 to 64 Years	3,781	
65 to 74 Years	6,862	
75 to 84 Years	4,964	
85 Years and Over	1,465	

Median Age	41.6	
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Under 18 Years	16,831	
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Percent of Total Population	23.6%	
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65 Years and Over	13,292	
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Percent of Total Population	18.6%	
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Year		Population (1)
2004		71,420
2003		71,888
2002		72,402
2001		72,855
2000		73,894
1999		73,662
1998		74,558
1997		76,014
1996		77,037
1995		77,968

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

JEFFERSON COUNTY, OHIO

Ten Largest Employers

December 31, 2004

<u>Ten Largest Employers</u>	<u>Nature of Business</u>	<u>Employees</u>
Wheeling-Pittsburgh Steel Corporation	Steel	3,400
International Steel Group	Steel	2,244
Trinity Health Systems	Health Care	1,790
Wal-Mart Distribution Center	Retail Product Distribution	640
Titanium Metals Corporation	Titanium Mill Products	494
Wal-Mart	Retail Sales	450
FirstEnergy	Utility	400
Franciscan University of Steubenville	Higher Education	400
American Electric Power	Power Generation	240
Jefferson Community College	Higher Education	200

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

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

Collection Year	Real Property Value		
	Agricultural/ Residential	Commercial/ Industrial	Total Value (1)
2004	\$606,057,200	\$167,652,290	\$773,709,490
2003	561,336,380	153,988,400	715,324,780
2002	558,299,540	150,979,270	709,278,810
2001	557,811,710	148,574,090	706,385,800
2000	437,500,420	138,607,210	576,107,630
1999	431,203,490	138,230,170	569,433,660
1998	426,309,620	137,045,470	563,355,090
1997	385,324,580	134,861,230	520,185,810
1996	384,547,290	135,011,170	519,558,460
1995	315,137,890	131,906,410	447,044,300

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

Sources: Jefferson County Auditor
 Federal Deposit Insurance Agency

New Construction			Bank Deposits
Residential	Industrial	Total New Construction	
\$4,532,540	\$4,683,380	\$9,215,920	\$942,394,000
4,376,930	3,798,490	8,175,420	950,499,000
4,474,960	2,360,720	6,835,680	930,041,000
5,699,450	2,054,480	7,753,930	913,259,000
6,431,540	1,353,710	7,785,250	910,791,000
4,881,840	1,351,330	6,233,170	904,951,000
2,659,230	1,334,170	3,993,400	896,436,000
1,782,740	717,280	2,500,020	909,721,000
1,782,740	1,644,280	3,427,020	884,969,000
2,485,820	2,067,240	4,553,060	872,416,000

JEFFERSON COUNTY, OHIO

*Principal Property Taxpayers
December 31, 2004*

<u>Taxpayers</u>	<u>Type of Business</u>	<u>Real Estate Assessed Valuation</u>	<u>Tangible Personal Property Assessed Valuation</u>
First Energy (formerly Ohio Edison)	Electric Utility	\$96,167,560	\$0
Ohio Power Company	Electric Utility	65,346,830	0
Buckeye Power Company	Electric Utility	60,641,570	0
Wheeling-Pittsburgh Steel Corporation	Steel Manufacturing	7,578,980	46,522,380
Titanium Metals Corporation of America	Metals Manufacturing	0	20,197,790
Cleveland Electric	Electric Utility	11,229,080	0
Fort Steuben Mall	Retail Property	9,927,280	0
Midwest Electrical Supply Company	Electric Supplies	0	9,485,010
Ohio Bell Telephone Company	Telephone Company	6,693,970	0
Wal-Mart Stores	Retail Property	<u>4,630,080</u>	<u>1,495,320</u>
		<u>\$262,215,350</u>	<u>\$77,700,500</u>

Source: Jefferson County Auditor's Office

<u>Total Assessed Valuation</u>	<u>Percent of Total County Assessed Valuation</u>
\$96,167,560	8.55%
65,346,830	5.81%
60,641,570	5.39%
54,101,360	4.81%
20,197,790	1.79%
11,229,080	1.00%
9,927,280	0.88%
9,485,010	0.84%
6,693,970	0.59%
<u>6,125,400</u>	<u>0.54%</u>
<u><u>\$339,915,850</u></u>	<u><u>30.20%</u></u>

JEFFERSON COUNTY, OHIO

Miscellaneous Statistics

December 31, 2004

Date of Incorporation	1797
35th Largest County in the State of Ohio (1)	88 Counties in Ohio
County Seat	Steubenville, Ohio
Area - Square Miles	409.6
Number of Political Subdivisions Located in the County: (2)	
Cities	2
Villages	17
Townships	14
School Districts	7
Vocational School Districts	3
Fire District	1
Colleges:	
Jefferson Community College	1
Universities:	
Franciscan University	1
Lane Miles (3)	
U.S. Highways	18.95
State Highways	153.65
County Highways	526
Township Roads	894
Communications	
3 Radio Stations - WDIG 95-AM; WSTV 1340-AM; WRKY 103.5-FM	
3 Daily Newspapers - The Herald Star; Intelligencer; Times Leader	
Voter Statistics, Election of November , 2004 (4)	
Number of Registered Voters	49,656
Number of Voters, Last General Election	37,175
Percentage of Voters Voting	74.87%

Sources:

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



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

FINANCIAL CONDITION

JEFFERSON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 4, 2005**