



Mary Taylor, CPA
Auditor of State

**FINANCIAL CONDITION
JEFFERSON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Schedule of Federal Awards Expenditures.....	1
Notes to the Schedule of Federal Awards Expenditures	5
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Governmental Auditing Standards</i>	7
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.....	9
Schedule of Findings.....	11
Schedule of Prior Audit Findings.....	16

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**FINANCIAL CONDITION
JEFFERSON COUNTY**

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

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
U.S. Department of Agriculture			
Solid Waste Management Grant	10.762	FY 06	\$75,500
<i>Passed through the Ohio Department of Education</i>			
Board of Mental Retardation			
National School Lunch	10.555	FY 06	19,977
		FY 07	<u>6,735</u>
Total MRDD National School Lunch			26,712
Food Distribution Program	10.550	FY 06	700
Juvenile Detention Department			
National School Lunch	10.555	FY 06	27,027
		FY 07	<u>8,937</u>
Juvenile Detention National School Lunch			35,964
Sheriff Jail Lunch	10.555	FY 06	9,747
		FY 07	<u>5,125</u>
			14,872
Total U.S. Department of Agriculture			153,748
U. S. Department of Housing and Urban Development			
Special Needs Assistance Program	14.181	OH 16B307001	86,461
<i>Passed through the Ohio Department of Development:</i>			
Community Development Formula Program	14.228	B-F-04-038-1	72,979
		B-F-05-038-1	<u>267,475</u>
Total Formula Grant			340,454
Community Housing Improvement Program	14.228	BC-04-038-1	68,926
Home Investment Partnership Program	14.239	BC-04-038-2	268,709
		BD-04-038-1	<u>7,973</u>
Total HOME Grant			276,682
Total U.S. Housing and Urban Development			772,523
U.S. Department of Education			
<i>Passed through the Ohio Department of Education:</i>			
Special Education Grants to States	84.027	6B-SF-06	56,213
		6B-SF-07	<u>5,721</u>
Total Title VI B			61,934
Special Education - Preschool Grant	84.173	PG-S1-06	11,006
		PG-S1-07	<u>1,361</u>
Total Preschool Grant			12,367
Chapter 2 Innovator Grant	84.298	C2-S1-06	361
		C2-S1-07	<u>18</u>
Total Innovator Grant			379
Total U.S. Department of Education			74,680

**FINANCIAL CONDITION
JEFFERSON COUNTY**

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

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
Department of Homeland Security			
<i>Passed Through the State Emergency Management Agency</i>			
Public Assistance Grant (FEMA-PA)	97.036	1507-DR-081-09C35	139,600
		1556-DR-081-09C35	170,377
		DR-1556-OH	34,656
		1580-DR-081-09C35	412,368
			757,001
Total U.S. Department of Homeland Security			757,001
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- 06	29,252
		MR-41- 07	25,957
Total Title XX			55,209
Medicaid Title XIX - Targeted Case Management	93.778	4100010-06	174,732
Medicaid Title XIX - ICF/MR		512207-06	1,201,576
		512207-07	891,000
Medicaid Title XIX Waiver Administration		FY 06	116,431
		FY 07	1,800
Day Habilitation		FY 06	636,471
Day Habilitation		FY 07	199,854
Total Title XIX			3,221,864
<i>Passed Through Ohio Department of Job and Family Services</i>			
Child Support Enforcement Magistrates Program	93.563	FY 06	104,986
<i>Passed Through Ohio Department of Alcohol and Drug Addiction</i>			
Substance Abuse Prevention and Treatment Block Grant (Womens Set Aside Funds)	93.959	FY 06	36,410
		FY 07	56,148
Substance Abuse and Prevention and Treatment Block Grant Recovery Summit Grant	93.959	FY 06	3,000
Community Prevention SAPT Anti-Drug Coalition Grant	93.959	FY 06	5,000
Substance Abuse Prevention and Treatment Block Grant (ADMS Per Capita Block Grant)	93.959	FY 06	112,116
		FY 07	173,098
Total Substance Abuse Block Grant			385,772
Medical Assistance Program Medicaid, Title XIX - Assistance	93.778	41513 FY 06	123,090
		41513 FY 07	16,319
			139,409
<i>Passed Through Ohio Department of Mental Health</i>			
Medical Assistance Program Medicaid, Title XIX - OBRA	93.778	FY 06	1,600
		FY 07	
Medical Assistance Program Medicaid, Title XIX - Assistance		MC-24 06	1,376,197
		MC-24 07	120,070
Total Title XIX			1,497,867
Total Medical Assistance, Medicaid			1,637,276

**FINANCIAL CONDITION
JEFFERSON COUNTY**

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

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditures
Recovery Summit Grant	93.958	BG 105	9,000
Block Grants for Prevention and Treatment of Substance Abuse (Children Adolescence Core Services)	93.959	FY 06 FY 07	46,432 65,173
Total Block Grant for Prevention and Treatment			<u>111,605</u>
Social Services Block Grant	93.667	FY 06	48,979
All Hazards Training Grant	93.003	FY 06	1,779
Community Mental Health Services Block Grant	93.590	FY 06	1,778
Total U.S. Department of Health and Human Services			5,578,248
U.S. Department of Justice			
Community Prosecution and Project Safe Neighborhood Program	16.609	2003-PP-CX-0013 2003-PS-PSN-317	30 4,860
			<u>4,890</u>
Drug Grant Discretionary Grant Program	16.585	2003-DC-BX-0007	17,195
LOCAL Law Enforcement Block Grant	16.592	2005-DJBX-0964	19,554
<i>Passed through Ohio Attorney General</i> Crime Victim Assistance Program	16.575	2005 VAGENE 030T 2006 VAGENE 030T	34,258 9,353
Total Crime Victim Assistance Grant			<u>43,611</u>
<i>Passed through Ohio Department of Youth Services</i>			
Juvenile Dentention Department Juvenile Accountability Incentive Block Grant	16.523	2004-JB-002-B027	13,136
Juvenile Justice and Delinquency Prevention -Drug Court Treatment Program	16.540	2004-JJ-DP2-0054	4,913
<i>Passed through the Office of Criminal Justice Services</i>			
Violence Against Women Formula Grants	16.588	2004-WF-VA2-8249 2005-WF-VA2-8249	13,388 27,337
			<u>40,725</u>
Total U.S. Department of Justice			144,024
U.S. Department of Transportation			
<i>Passed through Ohio Department of Transportation</i>			
Highway Planning Construction Program	20.205	81512 80413 80863 79728 80101 78817 78818	9,909 70,998 63,538 175,505 310,042 82,914 64,225
			<u>777,131</u>
<i>Passed through Governors Highway Safety Office</i> State and Community Highway Safety Grant	20.600	LEO-2006-41-00-00495	16,916
Total U.S. Department of Transportation			794,047

**FINANCIAL CONDITION
JEFFERSON COUNTY**

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

Federal Grantor/ Pass Through Grantor Program Title	CFDA Number	Pass Through Entity Number	Expenditure
U.S. Department of Labor			
<i>Passed Through the Ohio Department of Job and Family Services</i>			
WIA Workforce Month	17.207	N/A	2,750
WIA Adult Programs	17.258	N/A	210,026
Wheeling Pittsburgh Steel Project	17.260	N/A	276,869
WIA Youth Activities	17.259	N/A	250,969
WIA Dislocated Worker	17.260	N/A	204,430
Rapid Response	17.260	N/A	763,066
WIA Administrative	17.260	N/A	79,329
WIA Veteran's Rapid Response	17.260	N/A	6,546
WIA Rapid Response Flood Grant	17.260	N/A	703,251
WIA REED Act	17.225	N/A	<u>15,026</u>
Total U.S. Department of Labor			2,512,262
Federal Aviation Administration			
Airport Improvement Program	20.106	AIP3-39-0074-1206	<u>23,516</u>
Total Federal Aviation Administration			23,516
Election Assistance Commission			
<i>Passed through the Ohio Secretary of State</i>			
Help America Vote Act - Voter Education and Poll Worker Training Grant	39.011	N/A	6,643
Total Election Assistance Commission			6,643
Total Federal Awards Expenditures			<u><u>\$10,816,692</u></u>

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

**FINANCIAL CONDITION
JEFFERSON COUNTY**

FISCAL YEAR ENDED DECEMBER 31, 2006

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, 2006, the County had no significant food commodities in inventory.

NOTE C - HIGHWAY PLANNING CONSTRUCTION GRANTS

The schedule includes 2005 disbursements related to Highway Planning Construction Programs. These expenditures had been omitted from the Ohio Department of Transportation 2005 distribution sheet and subsequently omitted from the 2005 schedule. At the request of the Ohio Department of Transportation they are being included on the 2006 schedule.

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Mary Taylor, CPA

Auditor of State

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

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

To the Board of Commissioners:

We have audited the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of Jefferson County, Ohio (the County) as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 21, 2007. Other auditors audited the financial statements of Jeff Co. Workshop in accordance with auditing standards generally accepted in the United States of America and not in accordance with Government Auditing Standards and accordingly this report does not extend to that component unit. 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the County's internal control over financial reporting.

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

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

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

We noted certain matters that we reported to the County's management in a separate letter dated June 21, 2007.

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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 2006-001 through 2006-004.

We also noted certain noncompliance or other matters not requiring inclusion in the report that we reported to the County's management in a separate letter dated June 21, 2007.

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

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.



Mary Taylor, CPA
Auditor of State

June 21, 2007



Mary Taylor, CPA

Auditor of State

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

Jefferson County
301 Market Street
P.O. Box 159
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, 2006. The summary of auditor's results section of the accompanying schedule of findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to each major federal program. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America: the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A 133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A 133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe that 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, 2006.

Internal Control Over Compliance

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

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

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

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

Federal Awards 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, 2006, and have issued our report thereon dated June 21, 2007, in which we indicated we did not audit the financial statements of JeffCo Workshop, as those financial statements were audited by other auditors. Our audit was performed to form opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying 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.



Mary Taylor, CPA
Auditor of State

June 21, 2007

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2006**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs= Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	CFDA# 93.959 Substance Abuse Prevention and Treatment Block Grant CFDA # 20.205 Highway Planning and Construction Grant CFDA #17.258, 17.259, and 17.260 Workforce Investment Act Cluster
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 324,500 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2006**

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

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

Finding Number	2006-001
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Non Compliance Citation

Ohio Revised Code Section 5705.10 provides that money paid into any fund shall be used for the purpose for which it was established. At December 31, 2006, the Permissive Sheriff's Fund, the Jail Operating Levy Fund and the Self Insurance -Health Fund had deficit balances of \$350,971, \$2,697,378 and \$3,334,825 respectively.

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

Officials' Response

The deficit fund balances in the Permissive Sheriff Fund, the Jail Operating Levy Fund and the Self Insurance-Health Fund have existed for a number of years. The County currently has a plan in place which will eliminate the deficit balance in the Self Insurance-Health Fund. This deficit has been greatly reduced since the implementation of this plan. The deficit balance in the Permissive Sheriff Fund has gradually declined over the past few years. It is the County's hope that this deficit will be eliminated in the near future. The Board of County Commissioners has placed a levy on the ballot to help fund operations at the justice center. It is the County's hope that this operating levy will help the County address the deficit balance in the Jail Operating Levy Fund.

Finding Number	2006-002
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Non Compliance Citation

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

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

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

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2006**

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

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 extent 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 58% of tested expenditures. The County did not utilize the certification exceptions described above.

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

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

Officials' Response

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

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2006**

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

Finding Number	2006-003
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Non Compliance Citation

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

The Health Insurance Fund had expenditures plus encumbrances exceeding appropriations by \$5,574,021.

The variance was due to the county failing to make necessary appropriation amendments prior to year end. The County should take steps to amend the appropriations as required by the Ohio Revised Code.

Officials' Response

The County has established policies, procedures, and internal controls pertaining to the appropriation of funds. It is our belief that these policies, procedures, and internal controls function adequately. The instance where fund expenditures plus encumbrances exceeded fund appropriations was the result of the unexpected cancellation of the final meeting of the Board of County Commissioners. As a result, the County was unable to make final year end appropriation amendments. Consequently, fund expenditures plus encumbrances exceeded fund appropriations. In the future, the County will monitor budgetary compliance more closely to ensure that appropriations are sufficient to cover fund expenditures plus encumbrances, and that any necessary year end amendments are made on a timely basis.

Finding Number	2006-004
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Non Compliance Citation

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

Appropriations exceeded the amount certified as available by the budget commission in the Public Assistance Fund, Jail Operating Fund and the Water Fund by \$1,573,489, \$2,725,323, and \$245,676, respectively.

Failure to limit appropriations to the amount certified by the budget commission could result in overspending and negative cash balances. The County should compare appropriations to estimated resources and if adequate resources are available for additional appropriations, the County should submit an amended certificate of estimated resources to the budget commission for certification. If the resources are not available to cover the appropriations, an amendment to the appropriations resolution should be passed by the Board of County Commissioners to reduce appropriations.

**FINANCIAL CONDITION
JEFFERSON COUNTY
DECEMBER 31, 2006**

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

Officials' Response

The County has established policies, procedures, and internal controls pertaining to budgetary procedures that we believe are adequate to ensure compliance with applicable statutes. However, due to the deficit balance in the Jail Operating Levy Fund, complete compliance with all applicable budgetary requirements could not be achieved. While appropriations in the Jail Operating Levy Fund were within current year estimated revenues as certified to the budget commission, the deficit balance caused appropriations to exceed total estimated resources in that fund. The instances where appropriations exceeded estimated revenue available for appropriation in the other funds were the result of the unexpected cancellation of the final meeting of the Board of County Commissioners. As a result, the County was unable to make final year end appropriation amendments. Consequently, fund expenditures plus encumbrances exceeded fund appropriations. In the future, the County will monitor budgetary compliance more closely to ensure that appropriations are sufficient to cover fund expenditures plus encumbrances.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None	
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**FINANCIAL CONDITION
JEFFERSON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Ohio Revised Code Section 5706.10 Several funds had deficit balances	No	Cited again in 2006
2005-002	Ohio Revised Code Section 5705.41 (D)	No	Cited again in 2006
2005-003	Ohio Revised Code Section 5705.41 (B)	No	Cited again in 2006
2005-004	Ohio Revised Code Section 5705.39	No	Cited again in 2006

Jefferson County, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2006

Prepared by the Jefferson County Auditor's Office:

Patrick J. Marshall
Jefferson County Auditor

Introductory Section

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

	<u>Page</u>
I. Introductory Section	
Table of Contents	i
Transmittal Letter	v
GFOA Certificate of Achievement.....	xv
Elected Officials	xvi
Organizational Chart	xvii
II. Financial Section	
Report of Independent Accountants	1
Management’s Discussion and Analysis	3
Basic Financial Statements	
Government Wide Financial Statements:	
Statement of Net Assets.....	15
Statement of Activities	16
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	18
Reconciliation of Total Governmental Fund Balances to Net Assets of Governmental Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24

(Continued)

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

Statements of Revenues, Expenditures, and Changes in Fund Balances – Budget (Non-GAAP Basis) and Actual	25
General Fund	25
Public Assistance Fund	26
Motor Vehicle and Gasoline Tax Fund	27
Mental Health Fund	28
Mental Retardation and Developmental Disabilities Fund	29
Jail Operating Levy Fund	30
Statement of Fund Net Assets – Proprietary Funds	31
Statement of Revenues, Expenses and Changes in Fund Net Assets – Proprietary Funds	32
Statement of Cash Flows – Proprietary Funds	33
Statement of Fiduciary Assets and Liabilities – Agency Funds	35
Notes to the Basic Financial Statements	36
Combining Statements and Individual Fund Schedules:	
Combining Statements – Nonmajor Governmental Funds:	
Fund Descriptions	95
Combining Balance Sheet – Nonmajor Governmental Funds	97
Combining Balance Sheet – Nonmajor Special Revenue Funds	98
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	101
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	102
	(Continued)

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

Combining Statements – Internal Service Funds:

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

Combining Statements – Fiduciary Funds:

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

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

Major Funds:

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

Nonmajor Funds:

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

(Continued)

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

III. Statistical Section

Statistical Section Table of Contents.....	S1
Net Assets by Component – Last Five Years	S3
Changes in Net Assets – Last Five Years	S4
Fund Balances, Governmental Funds	
Last Ten Years	S6
Changes in Fund Balances, Governmental Funds	
Last Ten Years	S8
Assessed and Estimated Actual Value of Taxable Property	
Last Ten Years.....	S10
Property Tax Rates – Last Ten Years.....	S12
Property Tax Rates of Overlapping Governments	
Last Ten Years	S14
Property Tax Levies and Collections Real and Public Utility Taxes	
Last Ten Years	S24
Property Tax Levies and Collections – Tangible Personal Property Taxes	
Last Ten Years.....	S25
Principal Taxpayers – Real Estate Tax 2006 and 2003	S26
Principal Taxpayers – Tangible Personal Property Tax 2006 and 2003.....	S27
Principal Taxpayers – Public Utilities Tangible Personal Property Tax	
2006 and 2003.....	S28
Ratios of Outstanding Debt by Type	
Last Ten Years	S30
Ratio of General Obligation Bonded Debt to Assessed Value	
And Debt per Capita – Last Ten Years	S32
Computation of Direct and Overlapping	
Debt Attributed to Governmental Activities.....	S33
Computation of Legal Debt Margin	
Last Ten Years	S34
Pledged Revenue Bond Coverage (Water Fund) – Last Ten Years.....	S36
Demographic and Economic Statistics – Last Ten Years	S37
Principal Employers – Current and Nine Years Ago.....	S38
County Government Employees by Function/Activity	
Last Seven Years.....	S39
Capital Asset Statistics by Function/Activity	
Current Year.....	S40
Operating Indicators by Function/Activity	
Last Ten Years.....	S42

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County Auditor

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June 21, 2007

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

As Auditor of Jefferson County, it gives me great pleasure to present the County's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2006. This report has been carefully prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides a full and complete disclosure of the financial position and operations of the County.

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

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

Legal Requirements

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

Assumption of Responsibility

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

Fund Accounting

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

Internal Control Structure

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

The County utilizes a fully automated accounting system as well as an automated system for payroll. These systems, coupled with the manual auditing of each voucher prior to payment, ensure that the financial information generated is both accurate and reliable.

Independent Audit

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of December 31, 2006, by our independent auditor, the Auditor of the State of Ohio. Their audit was conducted in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. In addition, the audit was designed to meet the requirements of the Federal Single Audit Act of 1984, as amended in 1996, and related OMB Circular A-133.

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

Comprehensive Annual Financial Report

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes a table of contents, this transmittal letter, the 2005 Certificate of Achievement for Excellence in Financial Reporting, a list of elected officials, and the County's organizational chart. The financial section includes the Report of Independent Accountants, Management's Discussion and Analysis (MD & A), the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, the Combining Statements for non-major funds and other schedules that provide detailed information relative to the Basic Financial Statements. The statistical section includes financial and demographic information which is generally presented on a multi-year basis.

A more detailed assessment of the County's finances for 2006 can be found in Management's Discussion and Analysis beginning on page 3.

THE PROFILE OF THE GOVERNMENT

The County

Created in 1797, Jefferson County is located in east central Ohio along the west bank of the Ohio River. Its 410 square mile area is bordered on the north by Columbiana County, on the south by Belmont County, on the west by Carroll and Harrison Counties, and on the east by the State of West Virginia. The County encompasses 14 townships and 19 cities and villages, the largest of which is the City of Steubenville, the County Seat. The County's 2006 population of 70,125 placed it as the thirty-sixth most populous of the State's 88 Counties. The County is in the Steubenville-Weirton, Ohio-West Virginia Metropolitan Statistical Area (MSA), which is comprised of the County and Brooke and Hancock Counties of West Virginia. The Steubenville-Weirton, Ohio-West Virginia Metropolitan Statistical Area (MSA) is the 285th largest of the 361 combined consolidated metropolitan statistical areas and metropolitan statistical areas in the United States.

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

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

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

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

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

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

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

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

Component Units

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

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

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

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

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

Form of Government

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

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

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

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

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

As part of its justice system, the County maintains the Court of Common Pleas, which includes a Domestic Relations Division, a Juvenile Division, and a Probate Division. The County also maintains three County Court Districts. The County Prosecuting Attorney's Office and the County Justice Facility are also maintained by the County. In addition to the responsibilities as a prosecutor of criminal cases, the County Prosecuting Attorney is designated by Ohio law as the chief legal counsel for all County officers, boards, and agencies, including the Board of County Commissioners, the County Auditor, the County Treasurer, and all townships and local school districts. The County Prosecuting Attorney is also a member of the County Budget Commission.

The Clerk of Courts keeps all official records of the Common Pleas Court. The office of the Clerk of Courts operates on a system of fees charged for services and is essentially self-supporting.

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

Budgetary Controls

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

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

LOCAL ECONOMY

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

In September of 2004, Wheeling-Pittsburgh Steel started operation of a \$115 million electric arc furnace (EAF). The EAF replaced one of the company's two operating blast furnaces, and is a major component of the company's long-term plan to remain competitive in the global steel market. The company has also invested more than \$2 million in a PLC automation system designed to improve the operations at the plant. Recently, the company was awarded a \$3.26 million discretionary worker retraining grant designed to train workers to be more efficient and productive and to meet the needs of the steelmaker.

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

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

A 93 acre industrial park, located just off of the U.S. Route 22 bypass, is a key component in the County's economic development strategy. Construction was completed in the spring of 2000 on \$2 million in infrastructure improvements to serve the industrial park. The County-owned park is located just over 1 mile from the four-lane U.S. Route 22, and is part of an area which, overall, has more than 1,000 acres available for development. The location has excellent highway access and is near a skilled, plentiful workforce. Construction is currently underway on the State Route 43 widening project. Once completed, this project will provide even easier access to the industrial park from U.S. Route 22.

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

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

American Electric Power's Cardinal Power Plant, located in the Wells Township portion of the County, has made over \$300 million in improvements in recent years. The facility upgrades will help reduce nitrogen oxide emissions by 90%. Recently, plans were announced for the installation of flue gas desulfurization (FGD) systems on 2 units at the plant. FGD systems, commonly called scrubbers, reduce sulfur dioxide emissions by up to 98%. Early estimates are that the FGD installations will cost \$200 million per unit.

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

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

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

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

LONG TERM FINANCIAL PLANNING

The rise in the local unemployment rate over the past few years has caused some reason for concern regarding the County's long term financial planning. Any significant unfavorable change in the unemployment rate usually leads to lower sales tax collections. Fortunately, the County's sales tax revenues have remained fairly steady or have risen slightly in recent years. However, in order to avoid any potential revenue shortfalls should sales tax collections decline significantly, the County has taken a very conservative approach with current spending. Budget restraints have been implemented in order to conserve spending and help maintain a sufficient spending reserve as a hedge against future revenue shortfalls.

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

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

RELEVANT FINANCIAL POLICIES

During late 2004 and early 2005, the County experienced severe flood damage in several areas. As a result of this damage, the County was awarded a number of FEMA grants to help cover a portion of the costs associated with road and slip repair projects. The associated repair costs, including the Federal, State and local share, are all reported as program expenses in accordance with the County Engineer's policy which provides for the non-capitalization of road and slip repair projects that will not extend the original useful life of the assets. These projects were all completed by the end of 2006.

MAJOR INITIATIVES

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

Industrial Park

A 93 acre industrial park, located just off of the U.S. Route 22 bypass, is a key component in the County's economic development strategy. Construction was completed in the spring of 2000 on \$2 million in infrastructure improvements to serve the industrial park. The County-owned park is located just over 1 mile from the four-lane U.S. Route 22, and is part of an area which, overall, has more than 1,000 acres available for development. The location has excellent highway access and is near a skilled, plentiful workforce. Construction is currently underway on the State Route 43 widening project. Once completed, this project will provide even easier access to the industrial park from U.S. Route 22. Local officials believe that this widening project will help entice additional business into the industrial park.

Airport

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

Road and Bridge Improvement

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

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

Geographic Information System

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

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

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

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

Water and Sewer

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

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

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

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

ACKNOWLEDGMENTS

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

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

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

Sincerely,

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

Patrick J. Marshall
Jefferson County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jefferson County
Ohio

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

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



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

President

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

Executive Director

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

Elected Officials

Patrick J. Marshall, Auditor

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

Raymond M. Agresta, Treasurer

John A. Corrigan, Clerk of Courts

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

James F. Branagan, Engineer

Thomas Straus, Prosecutor

Paul R. McKeegan, Recorder

Fred J. Abdalla, Sheriff

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

Appointed Officials

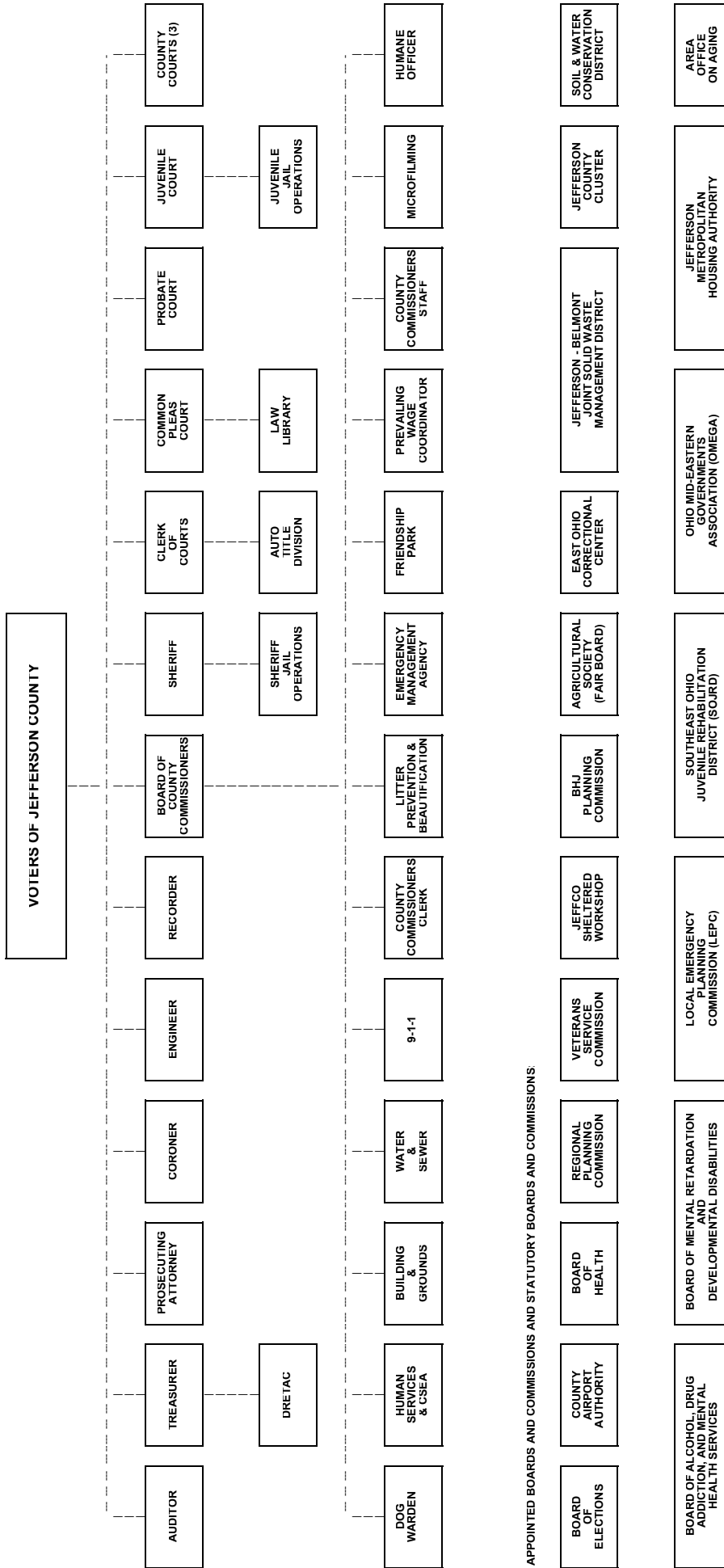
Nicholas S. Balakos, Director
Department of Job and Family Services and Children Services

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

Pamela M. Petrilla, Director
Prevention and Recovery Board

John T. Gilmore
Sanitary Engineer

JEFFERSON COUNTY GOVERNMENT ORGANIZATIONAL CHART



APPOINTED BOARDS AND COMMISSIONS AND STATUTORY BOARDS AND COMMISSIONS:

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

BOARDS AND COMMISSIONS COMPOSED OF ELECTED OFFICIALS:

- DATA RECEIVING BOARD
- COUNTY REVENUE COMMISSION
- BOARD OF REVISION
- BUDGET COMMISSION
- MICROFILM BOARD

Financial Section



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Jefferson County, Ohio (the County), as of and for the year ended December 31, 2006, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Jeffco Workshop, which represent 100% of assets and 100% of the revenues for the discretely presented component unit. Other auditors audited those financial statements. They have furnished their report thereon to us and we base our opinion, insofar as it relates to the amounts included for Jeffco Workshop on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. The other auditors audited the financial statements of Jeffco Workshop in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Jefferson County, Ohio, as of December 31, 2006, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General, Public Assistance, Motor Vehicle Gasoline Tax, Mental Health, Mental Retardation Disabilities and Jail Operating levy funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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



Mary Taylor, CPA
Auditor of State

June 21, 2007

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

The discussion and analysis of Jefferson County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2006. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2006 are as follows:

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

At the end of the current year, the County reported unrestricted net assets for governmental activities of \$149,640. This represents an increase of \$3,675,905 from the prior year. This is the result of changes the County Commissioners have made to the County's Self Insurance Fund to eliminate the fund deficit. To eliminate this deficit, the County Commissioners have implemented a monthly departmental charge dedicated specifically to the reduction of the existing deficit. In addition, the County Commissioners have increased monthly premium charges and have made significant changes to the plan guidelines.

At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$17,296,188, an increase of \$1,191,584 from the prior year. Of this amount, \$15,736,009 is available for spending (unreserved undesignated fund balance) on behalf of its citizens.

Using This Annual Financial Report

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

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

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

County-Wide Financial Statements

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

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

Statement of Net Assets

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

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

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

In the statement of net assets and the statement of activities, the County is divided into three kinds of activities:

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

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

Component Unit - The County's financial statements include financial data of the Jeffco Sheltered Workshop. This component unit is described in the notes to the financial statements. The component unit is separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objects. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements provide detailed information about the County's major funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to our residents. The County's major governmental funds are the General Fund, Job and Family Services (Public Assistance), Motor Vehicle and Gasoline Tax, Prevention and Recovery Board (Mental Health), Mental Retardation and Developmental Disabilities, and Jail Operating Levy Special Revenue Funds.

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

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

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

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

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

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

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

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

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

Government-Wide Financial Analysis

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

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Assets						
Current and Other Assets	\$45,628,704	\$44,339,306	\$3,791,045	\$5,286,639	\$49,419,749	\$49,625,945
Capital Assets, Net	92,397,576	90,883,217	41,448,263	40,298,036	133,845,839	131,181,253
Total Assets	138,026,280	135,222,523	45,239,308	45,584,675	183,265,588	180,807,198
Liabilities						
Current and Other Liabilities	15,308,937	15,528,965	1,110,410	1,749,348	16,419,347	17,278,313
Long-Term Liabilities	31,684,613	33,741,673	15,061,571	15,450,373	46,746,184	49,192,046
Total Liabilities	46,993,550	49,270,638	16,171,981	17,199,721	63,165,531	66,470,359
Net Assets						
Invested in Capital Assets,						
Net of Debt	66,576,876	63,347,036	25,914,607	24,312,154	92,491,483	87,659,190
Restricted	24,306,214	26,131,114	346,811	387,964	24,653,025	26,519,078
Unrestricted	149,640	(3,526,265)	2,805,909	3,684,836	2,955,549	158,571
Total Net Assets	\$91,032,730	\$85,951,885	\$29,067,327	\$28,384,954	\$120,100,057	\$114,336,839

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$120,100,057 (\$91,032,730 in governmental activities and \$29,067,327 in business-type activities) as of December 31, 2006. By far, the largest portion of the County's net assets (77.01 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure), less any related debt, used to acquire those assets, that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$24,653,025 or 20.53 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, \$2,955,549 or 2.46 percent are to be used to meet the County's ongoing obligations to citizens and creditors. This modest total in unrestricted net assets is the result of changes to the County's health insurance program. These changes have been decreasing the deficit in the Health Self Insurance Fund. The County Commissioners have increased monthly premium charges and have made significant changes to the plan guidelines in order to alleviate a past deficit and to increase total unrestricted net assets in that fund.

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

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

Table 2
Changes in Net Assets

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

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

Governmental Activities

Operating grants and contributions were the largest program revenues, accounting for \$37,859,912 or 52.39 percent of total governmental revenues. This represents a decrease of \$3,258,975 from the prior year. The major recipients of intergovernmental program revenues were the Department of Job and Family Services (Public Assistance), Motor Vehicle and Gasoline Tax, Prevention and Recovery Board (Mental Health), and Mental Retardation and Developmental Disabilities governmental activities. The Motor Vehicle Gas Tax and Mental Retardation and Developmental Disabilities realized the most significant decreases in operating grants and contributions as compared with the prior year.

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

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

Human services programs accounted for \$20,598,279, or 30.66 percent of total expenses for governmental activities. This represents an increase of \$2,404,525 from the prior year. This increase is the result of increased federal and state funding for human services programs.

Other major program expenses for governmental activities include health programs, which accounted for \$16,649,240, or 24.78 percent of total expenses, public safety programs, which accounted for \$9,640,492, or 14.35 percent of total expenses and public works programs, which accounted for \$7,710,983, or 11.48 percent of total expenses.

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

Business-Type Activities

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

Capital grants and contributions account for \$457,678, or 7.00 percent of total business type revenues. Capital grants and contributions increased \$105,096 from the prior year. The majority of this increase is the result of new special assessments for water projects.

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

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

Table 3
Governmental Activities

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

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

The \$3,908,778 in net cost of services for Human Services demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved a property tax levy for the Childrens Services programs.

The \$2,301,500 in net cost of services for Health demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved property tax levies for several programs including the Prevention and Recovery Board (Mental Health) and Mental Retardation and Developmental Disabilities.

For Public Safety, the \$4,302,084 in net costs of services indicates the general fund, permissive sales tax, and property tax levy support provided for the operation of the Sheriff's Department and the Detention Center. Management is concerned with the fact that there are insufficient program revenues to operate the Sheriff's Department and the Detention Center. To help reduce the tax burden and increase program revenues, the County is actively pursuing contracts for the housing of prisoners from other entities outside the County.

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

Financial Analysis of County Funds

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

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

As of December 31, 2006, the County's governmental funds reported a combined ending fund balance of \$17,296,188, an increase of \$1,191,584 in comparison with the prior year. Approximately \$15,736,009, or 90.98 percent of this total, constitutes unreserved undesignated fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for discretionary spending. Of the reserved amount, \$43,577 has been committed to liquidate contracts and purchase orders of the prior year, \$954,732 has been reserved for endowments for the childrens home, and \$519,411 has been reserved for claimants. The County has designated \$42,459 of fund balance for the purchase of equipment. While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the provider of the resource, such as the state or federal government.

The General Fund is the primary operating fund of the County. At the end of 2006, unreserved fund balance was \$2,946,670, while total fund balance was \$3,535,934. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 28.69 percent to total General Fund expenditures, while total fund balance represents 34.42 percent of that same amount. The fund balance of the County's General Fund increased by \$593,889 during 2006. The key factors attributed to this increase were reduced spending and greater fiscal responsibility exhibited by the various General Fund departments.

The Motor Vehicle Gasoline Tax Fund balance at the end of 2006 is \$2,128,136, which increased \$932,955 during 2006. The increase was due primarily to the receipt of numerous FEMA road slip repair project reimbursements associated with the severe flooding that occurred in 2004 and 2005.

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

As of December 31, 2006, net assets for the County's enterprise funds were \$29,067,327. Of that total, \$2,805,909 represents unrestricted net assets that are available for spending for enterprise operations at the County's discretion.

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

As of December 31, 2006, unrestricted net assets in the self-insurance programs were \$677,646. This represents an increase in unrestricted net assets of \$3,002,115 from the prior year. The Self-Insurance Funds have posted operating deficits for several years. Program revenues (premiums) have been insufficient to cover rising claims activity in the County's self-insured hospitalization program. To attempt to offset the operating deficit, the County Commissioners implemented an employee-paid monthly premium cost, increased county-paid monthly premium costs, and made significant changes to the plan guidelines to help reduce claim costs.

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

Budgetary Highlights

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

For the General Fund, changes from the original budget to the final budget have been minimal. Fluctuations in growth and diversity have typically not occurred in Jefferson County, allowing department managers the ability to consistently predict revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets - The County's capital assets for governmental and business-type activities as of December 31, 2006, were \$133,845,839 (net of accumulated depreciation). This includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure.

For governmental activities, significant capital asset additions during 2006 included the construction of a new 911 building and various other building improvements at a total cost of \$1,913,574, the replacement of 3 bridges at a cost of \$333,665 and 20.1 miles of road resurfacing at a cost of \$1,196,927.

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

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

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

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

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

In addition to the bonded debt, the County's long-term obligations include compensated absences and workers compensation retrospective liability. Additional information on the County's long-term debt can be found in Note 18 of this report.

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

Economic Factors

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

The County's \$1.117 billion tax base has increased 10.08 percent over the last five years. This increase is attributed to an increase in the County's real estate tax values. Real property values within the County have risen steadily over the past several years, and are now at an all time high.

The County's general fund balance has managed to remain steady or increase slightly in recent years. This is attributed to conservative budgeting and spending by the County.

The various economic factors were considered in the preparation of the County's 2007 budget, and will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

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

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

Requests for Information

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

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

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

See accompanying notes to the basic financial statements

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

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

General Revenues

Property Taxes Levied for General Purposes
Property Taxes Levied for:
Mental Health
Mental Retardation and Developmental Disabilities
Jail Operating
Emergency 911
Tuberculosis/Crippled Children
Children Services
Senior Citizens
Debt Service
Permissive Sales Taxes Levied for General Purposes
Permissive Sales Taxes Levied for:
Road and Bridge Improvements
Public Safety
Debt Service
Sewer
Water
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous

Total General Revenues

Change in Net Assets

Net Assets Beginning of Year - Restated (Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

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

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

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

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

See accompanying notes to the basic financial statements

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

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

Total Governmental Fund Balances \$17,296,188

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

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

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

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

Total 10,651,460

Internal service funds are used by management to charge the costs of health insurance and workers' compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets 677,646

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

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

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

Total (30,094,465)

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

See accompanying notes to the basic financial statements

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

	General	Public Assistance	Motor Vehicle Gasoline Tax	Mental Health	Mental Retardation Developmental Disabilities
Revenues					
Property Taxes	\$1,901,968	\$0	\$0	\$321,189	\$2,626,415
Permissive Sales Taxes	4,422,764	0	2,658,121	0	0
Charges for Services	2,601,111	1,654,533	7,541	0	222,789
Licenses and Permits	4,465	0	0	0	0
Fines and Forfeitures	376,277	0	40,371	0	0
Intergovernmental	3,011,880	12,078,931	5,230,229	7,673,511	6,515,464
Interest	660,361	0	6,415	0	0
Rent	0	0	0	63,483	0
Other	54,268	819,385	9,331	15,995	104,348
<i>Total Revenues</i>	<u>13,033,094</u>	<u>14,552,849</u>	<u>7,952,008</u>	<u>8,074,178</u>	<u>9,469,016</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	4,730,991	0	0	0	0
Judicial	3,634,044	0	0	0	0
Public Safety	240,962	0	0	0	0
Public Works	0	0	6,530,939	0	0
Health	185,971	0	0	7,992,727	8,741,339
Human Services	866,887	13,819,509	0	0	0
Economic Development and Assistance	0	0	0	0	0
Other	410,380	0	0	0	0
Capital Outlay	70,890	0	0	0	0
Intergovernmental	116,436	0	0	0	0
Debt Service:					
Principal Retirement	13,413	10,549	0	0	0
Interest and Fiscal Charges	2,398	6,026	16,154	0	0
Interest on Capital Appreciation Bonds	0	0	0	0	0
<i>Total Expenditures</i>	<u>10,272,372</u>	<u>13,836,084</u>	<u>6,547,093</u>	<u>7,992,727</u>	<u>8,741,339</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>2,760,722</u>	<u>716,765</u>	<u>1,404,915</u>	<u>81,451</u>	<u>727,677</u>
Other Financing Sources (Uses):					
Transfers In	0	25,150	0	0	0
Notes Issued	0	0	0	0	0
Inception of Capital Lease	110,290	0	0	0	0
Transfers Out	<u>(2,277,123)</u>	<u>0</u>	<u>(471,960)</u>	<u>0</u>	<u>(350,000)</u>
Total Other Financing Sources (Uses)	<u>(2,166,833)</u>	<u>25,150</u>	<u>(471,960)</u>	<u>0</u>	<u>(350,000)</u>
<i>Net Change in Fund Balances</i>	593,889	741,915	932,955	81,451	377,677
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>2,942,045</u>	<u>73,142</u>	<u>1,195,181</u>	<u>1,591,971</u>	<u>2,633,717</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$3,535,934</u>	<u>\$815,057</u>	<u>\$2,128,136</u>	<u>\$1,673,422</u>	<u>\$3,011,394</u>

See accompanying notes to the basic financial statements

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

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

Net Change in Fund Balances - Governmental Funds		\$1,191,584
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		
Capital Asset Additions	5,440,490	
Current Year Depreciation	<u>(3,897,878)</u>	
Total		1,542,612
Capital assets salvaged from the capital asset account on the statement of net assets results in a loss on disposal of capital assets on the statement of activities.		(28,253)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund.		
Taxes	25,962	
Intergovernmental	(1,968,743)	
Interest	33,150	
Fines and Forfeitures	<u>(17,136)</u>	
Total		(1,926,767)
Issuance costs are reported as an expenditure when paid in governmental funds, but are allocated as an expense over the life of the outstanding debt on the statement of activities.		(3,726)
Bond premiums are reported as other financing sources in governmental funds, but are allocated as a reduction of an expense over the life of the outstanding debt on the statement of activities.		4,384
Inception of Capital Leases are reported as other financing sources in governmental funds, but the inception increases long-term liabilities on the statement of net assets.		(584,065)
Revenue Anticipation Notes Issued are reported as other financing sources in the governmental funds, but the issuance increases long term liabilities on the statement of net assets.		(331,589)
Repayments of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities		
General Obligation Bonds	1,115,000	
Capital Appreciation Bonds	173,171	
Long-Term Notes Payable	635,135	
OPWC Loans Payable	6,502	
State Infrastructure Bank Loans Payable	51,118	
SBC Loan Payable	53,056	
SBC Account Payable	16,830	
ODOT Contract Payable	15,790	
Capital Leases	<u>153,935</u>	
Total		2,220,537
Repayments of Capital Appreciation Bonds accretion is an expenditure in the governmental funds , but the repayment reduces long-term liabilities.		556,829
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities, and the accretion of interest of capital appreciation bonds is reported in the statement of activities:		
Accrued Interest	(6,179)	
Accretion of Interest	<u>(414,213)</u>	
Total		(420,392)
Compensated absences reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds		(142,424)
Internal service funds used by management to charge the costs of health insurance and workers' compensation to individual funds is not reported in the statement of activities Governmental fund expenditures and the related internal service funds' revenues are eliminated.		
The net expense of the internal service funds are allocated among governmental activities.		<u>3,002,115</u>
Change in Net Assets of Governmental Activities		<u>\$5,080,845</u>

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Revenues:</u>				
Charges and Services	\$1,654,533	\$1,654,533	\$1,654,533	\$0
Intergovernmental	13,388,161	11,961,134	11,961,134	0
Other	382,207	819,385	819,385	0
Total Revenues	<u>15,424,901</u>	<u>14,435,052</u>	<u>14,435,052</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Human Services	15,424,901	16,275,409	13,594,845	2,680,564
Net Change in Fund Balance	0	(1,840,357)	840,207	2,680,564
Fund Balance Beginning of Year	<u>266,872</u>	<u>266,872</u>	<u>266,872</u>	<u>0</u>
Fund Balance (Deficit) End of Year	<u>\$266,872</u>	<u>(\$1,573,485)</u>	<u>\$1,107,079</u>	<u>\$2,680,564</u>

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	
<u>Revenues:</u>				
Property Taxes	\$2,593,724	\$2,606,063	\$2,606,063	\$0
Charges for Services	223,000	222,789	222,789	0
Intergovernmental	6,165,741	6,556,260	6,556,260	0
Other	8,850	104,348	104,348	0
Total Revenues	<u>8,991,315</u>	<u>9,489,460</u>	<u>9,489,460</u>	<u>0</u>
<u>Expenditures:</u>				
Current:				
Health	8,825,868	9,044,113	8,590,952	453,161
Excess of Revenues Over Expenditures	165,447	445,347	898,508	453,161
<u>Other Financing Use:</u>				
Transfers Out	(50,000)	(350,000)	(350,000)	0
Net Change in Fund Balance	115,447	95,347	548,508	453,161
Fund Balance Beginning of Year	<u>2,661,685</u>	<u>2,661,685</u>	<u>2,661,685</u>	<u>0</u>
Fund Balance End of Year	<u>\$2,777,132</u>	<u>\$2,757,032</u>	<u>\$3,210,193</u>	<u>\$453,161</u>

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

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

(Continued)

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

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

Noncash Activities:

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

See accompanying notes to the basic financial statements

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

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

See accompanying notes to the basic financial statements

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

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

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

Although the elected officials manage the internal operations of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrator of public services for the County, including each of these departments.

Reporting Entity:

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

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the County. For Jefferson County, this includes the Board of Mental Retardation and Developmental Disabilities, the Department of Job and Family Services, the Prevention and Recovery Board, the Veteran's Service Commission, the Regional Airport Authority, the Jefferson County Water and Sewer Districts, and all departments and activities that are directly operated by the elected County officials.

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

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

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

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

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

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

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

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

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

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

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

Jefferson County Regional Planning Commission

The County participates in the Jefferson County Regional Planning Commission which is a statutorily created political subdivision of the State. The commission is jointly governed among Jefferson County and municipalities and townships within the County. Each member's control over the operation of the commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environment, social, economic and governmental functions and services of the County as well as applies for certain grants on behalf of the member governments. The continued existence of the Commission is dependent upon the County's continued participation; however, the County does not have an equity interest in the Commission. Since Jefferson County serves as the fiscal agent for the Board, the financial activity of the District is presented as an agency fund. Additional information on the joint venture is presented in Note 21.

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

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

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

The County is associated with the following organizations which are defined as related organizations. Additional information concerning the related organizations is presented in Note 23.

Jefferson Metropolitan Housing Authority
Jefferson Community College

The County is associated with the following organizations which are public entity pools. Additional information concerning these pools is presented in Note 24.

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

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

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

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

B. Fund Accounting

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

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

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

Public Assistance Fund The public assistance fund accounts for various federal and State grants as well as transfers from the general fund used to provide public assistance to general relief recipients and to pay their providers of medical assistance and certain public social services.

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

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

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

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

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

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

Enterprise Funds Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following is a description of the County's enterprise funds:

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

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

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

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

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

C. Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities

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

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in fund net assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax (see Note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals. Using this criteria, the County has elected to not record child support arrearages within the special revenue and agency fund types. This amount, while potentially significant, is not considered measurable, and because collection is often significantly in arrears, the County is unable to determine a reasonable value.

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

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

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

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

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

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

E. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. These appropriations were made before the end of the prior year and before the actual year end fund balances were known. This resulted in differences being reported for beginning of year fund balances for the original and final budgeted amounts. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2006 upon which the final appropriations were based.

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

F. Cash, Cash Equivalents, and Investments

Cash balances of the County's funds, except cash held by a trustee or fiscal agent or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2006, investments were limited to United States Treasury Notes, money market mutual funds, and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the general fund unless statutorily required to be

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

credited to a specific fund. Interest revenue credited to the general fund during 2006 amounted to \$660,361 which includes \$345,556 assigned from other funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments. The County reports the change in fair value of investments. The calculation of realized gains/losses is independent of the calculation of the change in the fair value of investments. The realized gains/losses of the current period include unrealized amounts from prior periods.

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

G. Restricted Assets

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

H. Inventory

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

I. Prepaid Items

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

J. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not. Interest costs incurred during the construction of capital assets utilized by the enterprise funds are also capitalized. All infrastructure of the County has been reported, including infrastructure acquired or constructed prior to 1980. All reported capital assets are depreciated

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

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

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

K. Interfund Balances

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

L. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the County's termination policy. The County records a liability for sick leave for employees with ten or more years of service at varying rates depending on County policy.

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

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

M. Accrued Liabilities and Long-term Obligations

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

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

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

N. Unamortized Issuance Costs/Bond Discount and Premium

Bond issuance costs and bond premium and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recorded as deferred charges and amortized over the term of the related debt.

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

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

O. Fund Balance Reserves

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

P. Fund Balance Designations

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

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The restrictions for other purposes are primarily for net assets of the Miscellaneous Local, Court/Corrections and Public Safety, Emergency 911, Community

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

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

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

R. Operating Revenues and Expenses

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

S. Capital Contributions

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

T. Internal Activity

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

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

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

U. Extraordinary and Special Items

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

V. Estimates

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

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

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

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

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

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

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

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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

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

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

NOTE 5 - ACCOUNTABILITY AND COMPLIANCE

A. Fund Deficits

The following funds had a deficit fund balance or deficit net assets as of December 31, 2006:

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

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

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

B. Legal Compliance:

The Miscellaneous Local, Public Assistance, Permissive Sheriff, Children Services, Jail Operating Levy, and Community Development Block Grant special revenue funds, the Permanent Improvement capital projects fund, and the Water enterprise fund had appropriations in excess of estimated revenues contrary to section 5705.39, Revised Code. The County will monitor estimated revenue levels in the future to ensure that appropriations are not in excess of the amount available.

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

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

The Self Insurance – Health internal service fund had expenditures plus encumbrances in excess of appropriations contrary to section 5705.41(B), Revised Code. The County will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

NOTE 6 - DEPOSITS AND INVESTMENTS

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

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

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

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

1. United States Treasury Bills, Notes, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposits or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;
9. Up to twenty-five percent of the County's average portfolio in either of the following:
 - a. commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase;

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

- b. bankers acceptances eligible for purchase by the federal reserve system and which mature within 180 days after purchase.

10. Fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions that are doing business under authority granted by the U.S. provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase.

11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper.

12. One percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

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

At December 31, 2006, the County's Self Insurance – Health internal service fund had a \$5,292,993 balance with OME-RESA, a claims servicing pool (See Note 23). The money is held by the claims service pool in a pooled account which is representative of numerous entities and therefore cannot be included in the risk disclosures reported by the County. Disclosures for the OME-RESA Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Ohio Mid-Eastern Regional Educational Service Agency, Self-Insurance Plan, Attention: Treasurer, Steubenville, Ohio 43952.

Deposits

Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$17,333,929 of the County's bank balance of \$17,933,929 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

The County has no deposit policy for custodial risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee by the financial institution as security for repayment, or by a collateral pool of eligible securities deposited with a qualified trustee and pledged to secure the repayment

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

of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Investments

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

Interest Rate Risk. The County has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity.

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2006 for real and public utility property taxes represents collections of 2005 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) is for 2006 taxes.

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

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

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

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

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

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

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

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

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

The County treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2006 and for which there is an enforceable legal claim. In the general fund, mental health fund, emergency 911 fund, children services fund, mental retardation and developmental disabilities fund, senior citizens levy fund, jail operating fund and debt service fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2006 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

NOTE 8 - PERMISSIVE SALES AND USE TAX

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

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

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

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

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

NOTE 9 - RECEIVABLES

Receivables at December 31, 2006, consisted of taxes, interest, special assessments, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. Management believes all receivables are fully collectible. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. In prior years, special assessments were assessed for the partial repayment

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

of business-type activities debt. These special assessments relating to the payment of debt are not expected to be fully collected within one year. The amount not scheduled for collection during the subsequent year is \$365,513. The County has \$2,001 in delinquent special assessments at December 31, 2006. A summary of the principal items of intergovernmental receivables follows:

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

NOTE 10 - CAPITAL ASSETS

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

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

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

*Depreciation expense was charged to governmental activities as follows:

Governmental Activities:

General Government:

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

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

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

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

NOTE 11 - RISK MANAGEMENT

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

CORSA, a non-profit corporation sponsored by the County Commissioners Association of Ohio, was created to provide affordable liability, property, casualty and crime insurance coverage for its members. CORSA was established May 12, 1987, and has grown to sixty member counties.

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

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

Medical Professional	6,000,000	
Foster Parents	6,000,000	
Excess	5,000,000	
Property:		
Property	114,146,357	Replacement Cost Value
Equipment Breakdown	100,000,000	Replacement Cost Value
Newly Aquired Location	5,000,000	
Contractor's Equipment	Actual Cash Value	
Property in Transit	100,000	Each Occurrence
Extra Expense Business	1,000,000	Each Occurrence
Flood Damage	100,000,000	Each Occurrence
Earthquake Damage	100,000,000	Each Occurrence
Debris Removal	1,000,000	Each Occurrence
Valuable Papers	1,000,000	Each Occurrence
Unintentional Omissions	250,000	Each Occurrence
Auto Physical Damage	Actual Cash Value	
Crime:		
Employee Dishonesty	\$1,000,000	Each Occurrence
Money and Securities (Inside)	\$1,000,000	Each Occurrence
Money and Securities (Outside)	\$1,000,000	Each Occurrence
Depositor's Forgery	\$1,000,000	Each Occurrence
Money Orders and Counterfeit	\$1,000,000	Each Occurrence

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

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

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

The County provides health, dental, and vision insurance to its employees through a self-insurance plan. The County pays \$1,170 per month for every eligible employee regardless of what coverage the employee has chosen (\$1,100 for the premium and \$70 for debt reduction), with the employees paying \$87 per month for single coverage, and \$128 per month for family coverage. The County participated in the OME-RESA self-insurance consortium during 2006, and employees have the choice between two third-party administrators within the consortium, Self-Funded Plans, Inc. or the Health Plan. OME-RESA

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

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

The claims liabilities of \$465,553 for health insurance and \$1,712,111 for workers' compensation reported in the self insurance – health and self-insurance – workers' compensation internal service funds, respectively at December 31, 2006 are based on the requirements of Governmental Accounting Standards Board Statement Number 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the County's third party administrators. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustments expenses. A summary of the fund's claims liability during the past two years is as follows:

<u>Program</u>	<u>Beginning Balance</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Ending Balance</u>
Self Insurance - Health				
2005	\$1,089,912	\$3,980,299	\$4,136,980	\$933,231
2006	933,231	2,834,870 (1)	3,302,548 (2)	465,553
Self Insurance - Workers' Compensation				
2005	2,398,637	410,070	348,995	2,459,712
2006	2,459,712	(100,796)	646,805	1,712,111
(1) Claims Expense		3,147,968		
- Net Decrease in Stop Loss Receivable		(313,098)		
Current Year Claims		<u>2,834,870</u>		
(2) Cash Payments for Claims			4,323,967	
- Stop Loss Received for 2006 Claims			(1,021,419)	
Claims Payments			<u>3,302,548</u>	

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System:

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

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

Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

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

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

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

B. *State Teachers Retirement System (STRS):*

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

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

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

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

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

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

The County's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2006, 2005, and 2004 were \$85,603, \$89,127, and \$102,516 respectively; 100 percent has been contributed for fiscal years 2006, 2005 and 2004. No contributions were made to the DC and Combined Plans for fiscal year 2006 by the County and plan members.

C. Social Security System

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

NOTE 13 - POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS):

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2006 local government employer contribution rate was 13.70 percent of covered payroll (16.93 percent for public safety and law enforcement); 4.50 percent of covered payroll was the portion that was used to fund health care.

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

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

2005, include a rate of return on investments of 6.50 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 0.50 to 6 percent annually for the next nine years and 4 percent annually after nine years.

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

The number of active contributing participants in the traditional and combined plans was 369,214. Actual County contributions for 2006 which were used to fund postemployment benefits were \$925,287. The actual contribution and the actuarially required contribution amounts are the same. The actuarial value of OPERS's net assets available for payment of benefits at December 31, 2005, (the latest information available) was \$11.1 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$31.3 billion and \$20.2 billion, respectively.

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

B. State Teachers Retirement System (STRS):

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

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

By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2006, the STRS Board allocated employer contributions equal to 3.42 percent of covered payroll, compared to 3.43 percent from fiscal year 2005. For the County, this amount equaled \$21,902 for fiscal year 2006.

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

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

NOTE 14 – COMPENSATED ABSENCES

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

NOTE 15 – SPECIAL TERMINATION BENEFITS PAYABLE

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

NOTE 16 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for office equipment and vehicles. During 2006, the County entered into additional capital leases for court reporting equipment and an answering point switch for the county's 911 system. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for the governmental funds.

Equipment acquired by lease has been capitalized in government wide statements governmental activities in the amount of \$725,347, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government wide statements governmental activities. Governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of \$620,659 for machinery and equipment and \$29,242 for vehicles. Principal payments towards capital leases during 2006 totaled \$153,935 for governmental activities.

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

Future minimum lease payments through 2011 are as follows:

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

NOTE 17 - CONSTRUCTION COMMITMENTS

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

Project	Fund	Purchase Commitment	Amounts Paid as of 12/31/2006	Amounts Remaining on Contracts
<u>Capital:</u>				
Wintersville PRV Project	Water	\$55,270	\$55,270	\$0
Toronto Waterline Extension **	Water	8,500,000	7,666,516	833,484
M Booster Waterline Extension	Water	123,500	5,145	118,355
Co. Road 53 Waterline Ext.	Water	184,500	816	183,684
St. Route 646 Waterline Ext.	Water	410,548	410,548	0
Bergholz Waterline Ext.	Water	1,452,608	1,445,705	6,903
St. Route 43 Waterline Relocation	Water	330,062	330,062	0
Crestview-Belvedere				
Sanitary Sewer	Sewer	5,500,000	1,011,370	4,488,630
Sunshine Park Sanitary Sewer	Sewer	5,100,000	122,713	4,977,287
Package Plant Improvements	Sewer	250,000	4,463	245,537
Barbers Hollow				
Wastewater Treatment Plant	Sewer	400,000	315,176	84,824
Overlook Hills Sanitary Sewer	Sewer	45,000	0	45,000
E-911 Building Project	Permanent Improvement	1,677,423	1,677,423	0
Mental Health New Alexandria				
Care Facility Renovations	Permanent Improvement	236,151	236,151	0
Mental Health Safe Haven				
Construction Project	Permanent Improvement	1,173,940	139,325	1,034,615
Co. Road 7F Bridge Project **	MVGT	839,991	839,991	0
Co. Road 17 Bridge Project	MVGT	363,481	111,720	251,761
Co. Road 39 Bridge Project	MVGT	153,940	153,940	0
Co. Road 51 Bridge Project **	MVGT	117,693	117,693	0
Knox Twp Road 243 Bridge Project	MVGT	374,000	73,428	300,572
Total Capital Construction Commitments		<u>27,288,107</u>	<u>14,717,455</u>	<u>12,570,652</u>
<u>Non-Capital:</u>				
Airpark Wetlands Project	Miscellaneous Local	35,264	11,367	23,897
GIS Project	Miscellaneous Local	700,000	589,892	110,108
Total Commitments		<u>\$28,023,371</u>	<u>\$15,318,714</u>	<u>\$12,704,657</u>

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

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

NOTE 18 - LONG-TERM LIABILITIES

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

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

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

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

Governmental Activities:

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

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

refunding bonds replaced the 1995 \$10,660,000 term bonds. The bonds are being retired from the debt service fund from the proceeds of a bond issue tax levy.

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

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

The capital appreciation bonds were sold at a discount of \$2,997,781, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2006 through 2010. During fiscal year 2006 capital appreciation bonds matured and were retired with an original principal amount of \$173,171 and an accreted interest amount of \$556,829 (for a total of \$730,000). The maturity amount of the capital appreciation bonds is \$2,905,000. The accretion recorded for 2006 was \$414,213, for a total outstanding bond liability of \$1,942,342 at June 30, 2006.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

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

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

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

2004 Various Purpose Bonds – On November 9, 2004 Jefferson County issued \$8,010,000 of general obligation bonds which included serial and term bonds in the amount of \$1,595,000 and \$6,415,000, respectively. These various purpose bonds were issued to permanently finance outstanding bond anticipation notes and pay the costs of issuance of these bonds for governmental and business type activities in the amounts of \$4,335,000 (\$625,000 serial bonds and \$3,710,000 term bonds) and \$3,675,000 (\$970,000 serial bonds and \$2,705,000 term bonds), respectively. These various purpose bonds were issued with a “net” premium/discount of \$131,512 for governmental and \$141,112 for business type activities, which is reported as an increase to bonds payable. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The amortization of the premium for 2006 was \$4,384 for governmental activities and \$5,575 for business type activities. The issuance costs, \$104,325 for governmental and \$87,503 for business type activities, are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method. The amortization of the issuance costs for 2006 was \$3,726 for governmental activities and \$3,628 for business type activities.

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

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

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

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

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

* Maturity

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

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

* Maturity

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

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

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, 2006 are as follows:

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

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

Long Term Notes Payable - The County has issued several long term notes payable, all of which are backed by the full faith and credit of the County. During 2006, the County fully repaid a tax anticipation note in the amount of \$153,564 that was issued for geographical information systems. Also during 2006, the County refinanced two revenue anticipation notes. The refinancing for the jet fuel tank was in the amount of \$145,200 that had an outstanding balance at December 31, 2006 of \$124,348. The refinancing for the runway extension at the airpark was in the amount of \$186,389 that remained fully outstanding at December 31, 2006. The County also has an outstanding revenue anticipation note that was issued for a new 911 facility which has an outstanding balance of \$1,378,183 at December 31, 2006. The airpark outstanding notes are being repaid through the debt service fund from rental revenues and the sale of fuel generated through the use of the airpark. The 911 outstanding note is being repaid through the debt service fund from county general revenues. All of the notes were issued with a fixed interest rate.

State Infrastructure Bank Loan - The County entered into a loan agreement in 1998 with the Ohio Department of Transportation for a \$370,000 State Infrastructure Bank Loan at 4.25 percent to be repaid over 10 years. These loan proceeds were used to purchase a tract of land at the airpark to be used in conjunction with Federal Aviation Administration grant monies for expansion of the runway to enhance further development within the County. The loan is backed by the full faith and credit of the County and will be repaid primarily with sales tax revenues and partially with net revenues of the airpark. The outstanding balance at December 31, 2006 is \$108,915.

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

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

Principal and interest requirements to retire the long term notes payable, state infrastructure bank loan, and the OPWC Road Resurfacing Loan outstanding at December 31, 2006 are as follows:

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

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

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

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

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

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

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

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

In order for the County to prepay the entire amount of the 60 months of discounted service, they entered into an agreement with SBC for them to loan the County the amount of the 60 months of discounted phone service at a 5.25 percent effective annual interest rate, to be repaid over 60 months. Principal and interest requirements to retire the loan outstanding at December 31, 2006 are as follows:

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

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

Business Type Activities:

2004 Various Purpose Bonds – On November 9, 2004 Jefferson County issued \$8,010,000 of general obligation bonds which included serial and term bonds in the amount of \$1,595,000 and \$6,415,000, respectively. These various purpose bonds were issued to permanently finance outstanding bond anticipation notes and pay the costs of issuance of these bonds for governmental and business type activities in the amounts of \$4,335,000 (\$625,000 serial bonds and \$3,710,000 term bonds) and \$3,675,000 (\$970,000 serial bonds and \$2,705,000 term bonds), respectively. These various purpose bonds were issued with a “net” premium of \$131,512 for governmental and \$141,112 for business type activities, which is reported as an increase to bonds payable. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The amortization of the premium for 2006 was \$4,384 for governmental activities and \$5,575 for business type activities. The issuance costs, \$104,325 for governmental and \$87,503 for business type activities, are reported as deferred charges and are being amortized over the life of the bonds using the straight-line method. The amortization of the issuance costs for 2006 was \$3,726 for governmental activities and \$3,628 for business type activities.

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

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

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

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

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

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

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

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

* Maturity

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

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

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

* Maturity

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

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

* Maturity

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

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

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

* Maturity

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

Year Ending December 31	Water Projects		Sewer Projects		Tidd-Dale Hazelwood Sewer Projects	
	Serial and Term Bonds		Serial and Term Bonds		Serial and Term Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$50,000	\$80,202	\$30,000	\$65,750	\$15,000	\$14,496
2008	50,000	79,202	30,000	65,150	15,000	14,196
2009	50,000	78,014	30,000	64,438	15,000	13,838
2010	50,000	76,664	30,000	63,628	15,000	13,434
2011	55,000	75,214	30,000	62,758	15,000	12,999
2012-2016	295,000	347,394	165,000	297,866	75,000	57,339
2017-2021	375,000	267,687	220,000	252,005	100,000	36,282
2022-2026	480,000	155,707	280,000	186,807	75,000	8,061
2027-2031	345,000	33,243	350,000	111,859	0	0
2032-2034	0	0	255,000	24,703	0	0
Totals	\$1,750,000	\$1,193,327	\$1,420,000	\$1,194,964	\$325,000	\$170,645

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

OPWC Loans – The County has issued OPWC Loans for various water and sewer projects. These loans will be repaid from charges for services revenue in the enterprise funds. The OPWC Loans are interest free. During 2006 the County was approved for a \$300,000 additional OPWC Loan for the Barbers Hollow Wastewater Treatment Plant Improvements. During 2006 the County received \$235,312 in loan proceeds for the ongoing project. The project is scheduled for completion during 2006. Based on the current status of the OPWC Loan, there is a tentative repayment schedule place, but a final loan

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

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

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

Year Ending December 31	OWDA Loans		OPWC Loans
	Principal	Interest	Principal
2007	\$558,897	\$216,618	\$76,879
2008	592,435	185,036	84,379
2009	628,143	151,437	80,379
2010	666,240	115,617	76,379
2011	331,937	82,269	76,379
2012-2016	918,151	110,851	270,181
2017-2021	0	0	141,591
2022-2026	0	0	75,000
2027	0	0	7,500
Totals	<u>\$3,695,803</u>	<u>\$861,828</u>	<u>\$888,667</u>

Ohio EPA Loan Payable – The County entered into a loan agreement on November 2, 2004 with the Ohio Water Development Authority for a \$7,888,745 Ohio EPA Loan from the Water Supply Revolving Loan Account at 3.35 percent that, upon completion of the project, will be scheduled to be repaid over twenty years. These loan proceeds are being drawn down for the completion of Toronto waterline connector project that will allow the County to purchase water from the City of Toronto. The loan is backed by the full faith and credit of the County and is intended to be repaid with user charges. During 2004 the County received \$105,882 in loan proceeds, during 2005 the County received \$6,801,673 in loan proceeds, and during 2006 the County received \$379,320 in loan proceeds. During 2006 the County made \$289,376 of principal payments on the loan. The project was substantially complete at December 31, 2006, but has not been completely finalized. Based on the current status of the Ohio EPA Loan, the following repayment schedule is tentatively in place, but a final loan repayment schedule will be provided at the point the project is complete.

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

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

Debt Margins:

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

The effects of the debt limitations described above at December 31, 2006 are a margin on unvoted debt of \$7,805,393 and an overall debt margin of \$23,062,557.

Conduit Debt:

Pursuant to State Statute, various industrial revenue bonds have been issued for private industry within Jefferson County. The proceeds of the industrial revenue bonds are used by the various private industries for new construction or improvements. The bonds are to be repaid by the recipients of the proceeds and do not represent an obligation of the County. As of December 31, 2006, there is \$20,875,000 in industrial revenue bond issues that have not been completely repaid of which \$2,545,000 remain outstanding.

Defeased Debt:

On March 13, 1998, the County issued \$10,657,219 in general obligation bonds with an interest rate of 4.95 percent to 5.089 percent to advance refund \$12,935,000 of the outstanding 1991 Human Services Complex bonds and the 1995 Jail Construction bonds with an interest rate of 6.714 percent to 7.250 percent. The serial bonds were due to mature on December 1, 2019, but were subject to an early call provision. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. Government Securities, which were deposited into an irrevocable trust with an escrow agent to provide future debt service payments on the refunded bonds were removed from the County's financial statements. As of December 31, 2006 all of the bonds were called and fully repaid.

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

NOTE 19 - NOTES PAYABLE

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

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

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

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

NOTE 20 – INTERNAL BALANCES

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

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

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

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

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

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

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

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

The above mentioned Transfers From/To were used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments come due, and use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

The transfer to the Public Assistance Fund in the amount of \$25,150 is for an overpayment made from the General Fund to the Public Assistance Fund for state mandated share of expenses in previous years. This was discovered during a special audit completed by the State Department of Job and Family Services. The amount had been previously recorded as an interfund balance, but has not been repaid. There are no plans for this amount to be repaid, and was therefore recorded as a transfer.

NOTE 21 - JOINT VENTURE

Jefferson County Regional Planning Commission:

The County participates in the Jefferson County Regional Planning Commission which is a statutorily created (ORC section 713) political subdivision of the State. The Commission is jointly governed among Jefferson County and municipalities and townships within the County. The Commission includes the three Jefferson County Commissioners, fourteen municipality mayors, fourteen township trustees, and six non-governmental representatives appointed by the member governments. Each member's control over the operation of the commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environment, social, economic and governmental functions and services of the County as well as applies for Community Development Block Grants for the member governments. The Board exercises total control of the budgeting, appropriation, contracting and management. The County's contribution is a \$80,528 annual subsidy (approximately 59 percent of the annual revenues of the Commission). The remaining member governments contribute an annual fee that totals \$4,275 per year. The Commission applies for Community Development Block Grants on behalf of member governments and receives approximately \$43,600 per year in administrative fees. Continued existence of the Commission is dependent upon the County's continued participation; however, the County does not have an equity interest in the

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

Commission. The Commission is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. The financial activity of the Commission is presented as an agency fund due to the County serving as fiscal agent. Complete financial statements can be obtained from the Jefferson County Regional Planning Commission, Steubenville, Ohio.

NOTE 22 - JOINTLY GOVERNED ORGANIZATIONS

A. Jefferson County Cluster

Jefferson County Cluster provides services to multi-need youth in Jefferson County. Members of the Cluster include the Jefferson County Alcohol, Drug Addiction, and Mental Health Services Board, the Jefferson Drug and Alcohol Councils, student services, Jefferson Juvenile District, the superintendent of public instruction, and the directors of youth services, human services, and mental retardation and developmental disabilities. The operation of the Cluster is controlled by an advisory committee which consists of a representative from each agency. The Cluster is not dependent upon Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Cluster. The County did not contribute to the Cluster in 2006.

B. East Ohio Correctional Facility:

The East Ohio Correctional Facility provides services to Carroll, Columbiana, Harrison and Jefferson Counties. The facility has a judicial correctional board of four, each participating County's Common Pleas Judge. Each member's control over the operation of the commission is limited to its representation on the board. The continued existence of the Facility is not dependent on Jefferson County, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Facility and the activity is presented on the financial statements as an agency fund. The County did not contribute financially to the facility in 2006.

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

BHJ is a separate and distinct political subdivision created pursuant to Ohio Revised Code section 713.30 and West Virginia Revised Code articles 8-25 and 8-26 to provide planning and administrative services to all local governments in a three county region comprised of Jefferson County and two counties in West Virginia. The governing board is comprised of 69 members which include 50 elected officials from the counties and municipalities as well as 19 appointed members from an array of private, public, and quasi-public entities. The Commission is not dependent upon Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Council. The County contributed \$36,540 to BHJ in 2006.

D. Southeast Ohio Juvenile Rehabilitation District (SOJRD):

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

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

are made-up of the juvenile judges of each participating county who determine the policy.

A Board of Trustees has been created whose members are appointed by the juvenile judges of which Belmont and Jefferson counties have three appointees, Guernsey County has two appointees, and Harrison, Monroe and Noble counties each have one appointee. The facility is located on property now owned by Belmont County. Policies, procedures and the operating budget are approved by the Judicial Rehabilitation Board. The Board is not dependent upon Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Board. The County did not contribute financially to the SOJRD in 2006.

E. Area Office on Aging:

The Area Office on Aging is a regional council of governments that assists nine counties, including Jefferson County, in providing services to senior citizens in the Council's service area. The Council is governed by a board of directors comprised of one representative appointed by each participating county. The board has total control over budgetary, personnel and all other financial matters. The Area Office on Aging receives Title III monies to be used for programs within the member counties. The continued existence of the Council is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the Council. The Council has no outstanding debt. The County did not contribute financially to the office in 2006.

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

OMEGA is a ten-county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbiana, Guernsey, Harrison, Holmes, Jefferson, Muskingum, and Tuscarawas Counties. OMEGA was formed to aid and assist the participating counties and political subdivisions within the counties in the application of Appalachian Regional Commission and Economic Development grant monies. OMEGA is governed by a sixteen member executive board comprised of members appointed from each participating county and the cities within each county. City membership is voluntary.

The board has total control over budgeting, personnel, and financial matters. Each member currently pays a per capita membership fee based upon the most recent United States census. The continued existence of OMEGA is not dependent on the County's continued participation and the County does not have an equity interest in or financial responsibility for OMEGA. OMEGA has no outstanding debt. The County contributed \$7,380 to OMEGA in 2006.

G. Jefferson-Belmont Joint Solid Waste Authority:

The Jefferson-Belmont Joint Solid Waste Authority is a jointly governed organization between Jefferson and Belmont counties. The Authority, formed to provide solid waste services to the two participating counties, is governed by a fourteen member board of directors of which one commissioner from Jefferson County is a member. The Authority is not dependent on Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Authority. The County does not make any monetary contributions to the Authority. During 2006, Jefferson County served as fiscal agent for the District, but as of December 13, 2006 the Authority ceased to use the County as fiscal agent. The activity is presented on the financial statements as an agency fund until the point of termination as fiscal agent.

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

H. Jefferson County Family and Children First Council:

The Jefferson County Family and Children First Council is a jointly governed organization created under the Ohio Revised Code Section 121.37. The Council is comprised of the following members: Director of the Board of Mental Health, Alcohol and Drug Addiction, Health Commissioner of the City of Steubenville, Health Commissioner of Jefferson County, Director of the Jefferson County Department of Job and Family Services, Director of Children Services, Superintendent of Jefferson County Board of Mental Retardation and Developmental Disabilities, Juvenile Court Judge, Superintendent of the Steubenville City Board of Education, Superintendent of the Jefferson County Educational Service Center, Superintendent of Edison Local School District, Mayor of Steubenville, Chairman of the Board of County Commissioners, Director of the regional office of the Department of Youth Services, Director of the Community Action Council, a representative of Jefferson County Early Intervention Collaborative, a representative of the Jefferson County Behavioral Health System, a representative from the Jefferson County United Way, and a representative from the Family Services Association, three individuals representing the interests of families in Jefferson County, a representative from any public or private organization which formally attests to its support for the mission of the Council. The Council is governed currently by a 24 member Board. During 2006, the County made no contributions to the Council. Continued existence of the Council is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

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

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

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

NOTE 23 - RELATED ORGANIZATIONS

A. Jefferson Metropolitan Housing Authority

The Jefferson Metropolitan Housing Authority was established to provide adequate public housing for low income individuals and was created pursuant to Ohio Revised Code Section 3735.27. The Authority is operated by a five member board. Two members are appointed by the mayor of the largest city in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority. The County did not contribute financially to the authority in 2006.

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

B. Jefferson Community College

Jefferson Community College was established to provide educational programming and opportunities for individual growth and development that best serves the citizens and was created pursuant to Ohio Revised Code Section 3354. The College is operated by a nine member board. Six members are appointed by the County commissioners and three members are appointed by the Governor. The College receives funding from State appropriation, Federal grants and programs, student fees and other private sources. The board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the College. The County did not contribute financially to the College in 2006.

NOTE 24 - PUBLIC ENTITY POOLS

A. Insurance Purchasing Pool

County Risk Sharing Authority (CORSA)

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

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member Counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member County's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member Counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of certificates. The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2006 was \$431,488.

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

B. Claims Servicing Pool

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

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

NOTE 25 - FOOD STAMPS

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

NOTE 26 – CONTINGENCIES/SUBSEQUENT EVENTS

A. Primary Government

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

Litigation

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

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

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

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

March 8, 2002, the Bankruptcy Court converted the V Group Bankruptcy to a liquidation bankruptcy under Chapter 7 of the Bankruptcy Code. On March 18, 2002, the V Group filed an appeal of the Bankruptcy Court's decision.

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

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

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

1. The Parties to the Recovery Action (the "Parties") will obtain a final order from the Bankruptcy Court granting judgment in favor of the Trustee and against the probate estate of Paul V. Voinovich (the "Probate Estate") in the adversary proceeding in the amount of \$15,000,000 (the "Bankruptcy Claim");
2. The Parties will obtain a final order in the probate proceeding in Florida (the "Probate Proceeding") regarding the Probate Estate, which approves the withdrawal of the objection to the Bankruptcy Claim;
3. Upon the entry of these two orders, Christine Voinovich will pay \$500,000 to the Trustee and will guarantee a \$750,000 net recovery to the Trustee from the Probate Estate which is to be secured by a \$750,000 irrevocable standby letter of credit;
4. The Trustee will continue to assert the Bankruptcy Claim in the Probate Proceeding. If the net distribution on the Bankruptcy Claim totals \$750,000 or more, then Christine Voinovich is relieved from any further monetary obligation to the Trustee. If the net distribution on the Bankruptcy Claim is less than \$750,000, Christine Voinovich will pay the amount of the shortfall;
5. The Parties will dismiss, with prejudice, all claims made in the Recovery Action with the exception of the \$15,000,000 judgment against the Probate Estate and the parties will release all claims they may have against other parties (other than the claims the trustee may have to enforce the \$15,000,000 judgment against the probate estate and the trustee's claim in the probate proceeding);

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

6. Gateway Health Centers Limited Partnership and Gateway Manor Congregate Apartments Limited Partnership shall purchase the Probate Estate's interest in the partnerships for the net purchase price of \$1,640,000. Those proceeds will be distributed as follows: \$360,000 to Christine Voinovich and \$1,290,000 to the Probate Estate;
7. The Chapter 7 Trustee may request that the settlement be declared void with respect to any party that has intentionally, fraudulently, and materially failed to fully and accurately disclose reasonable available financial information required by the settlement.

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

City of Steubenville Water Payment – On May 10, 2005, the County received a favorable judgment against the City of Steubenville that had brought action against the County regarding payment for water supply. The settlement amount in favor of the County is in the amount of \$782,000. The judgment entry is a final order by the Court; however, it is subject to the City's right to appeal, and the City has taken formal action to appeal the decision. The appeal process may be lengthy and in the interim the City has agreed to provide Jefferson County with water, without expectation of payment, for a period of three months, with such period extendable by mutual agreement. The value of said water supply will be credited against the amount owed by Steubenville to Jefferson County. During 2005 the amount of the credit against the judgment was approximately \$727,390, and in 2006 the amount of the credit against the judgment was \$54,610 totaling \$782,000.

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

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

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

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

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

NOTE 27 - RELATED PARTY TRANSACTIONS

During 2006, Jefferson County provided facilities, certain equipment, transportation and salaries for administration, implementation and supervision of its programs to JeffCo Workshop, a discretely presented component unit of Jefferson County. The Workshop reported \$23,771 for such contributions. JeffCo Workshop recorded operating revenues and operating expenses at cost or fair value as applicable, to the extent the contribution is related to the vocational purpose of JeffCo Workshop.

NOTE 28 – COMPONENT UNIT JEFFCO WORKSHOP, INC.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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

Basis of Accounting

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

Cash and Cash Equivalents

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

Investments

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

Inventory

The inventory is stated at historical cost.

Plant and Equipment

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

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

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

Equipment and Furniture	5 – 7 years
Vehicles	5 years

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

Functional Expenses

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

Use of Estimates

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

Income Taxes

Jeffco Workshop, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and therefore has made no provisions for federal income taxes in the accompanying financial statements. In addition, Jeffco Workshop, Inc. has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for 2006 or 2005 and Form 990 has been filed for the years ended December 31, 2006 and 2005.

In-kind Contribution

In-kind contributions of services and facilities were valued at \$23,771 and \$30,941 for the years ended December 31, 2006 and 2005, respectively. In-kind contributions were valued by using the worksheet developed by the Ohio Department of Mental Retardation and Developmental Disabilities. In-kind contributions to Jeffco Workshop, Inc. were the salaries paid to employees of Jeffco Workshop, Inc. by the Jefferson County Board of Mental Retardation and Developmental Disabilities, as well as, the use of the county board’s workshop and training center facilities at no charge. These in-kind contributions are recorded both as a revenue and expense.

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

B. CASH ON HAND AND IN BANK

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

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

C. INVESTMENTS

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

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

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

INVESTMENTS (continued)

National City Bank	5.25%	08-16-09	101,759	-
Sky Bank	5.36%	09-20-09	45,807	-
Bonds:				
Household Finance Corp.	4.60%	11-15-10	35,000	35,000
Caterpillar Financial Services	5.00%	11-15-12	35,000	35,000
Household Finance Corp.	5.35%	11-15-13	35,000	35,000
FHLMC	5.00%	11-15-29	<u>35,000</u>	<u>35,000</u>
			1,051,875	966,862
Less: current portion			<u>(539,285)</u>	<u>(495,407)</u>
			<u>\$ 512,590</u>	<u>\$471,455</u>

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

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

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

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

D. RELATED PARTY

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

E. BUSINESS AND CREDIT CONCENTRATIONS

The workshop's customers are located in the Upper Ohio Valley Area. Five customers accounted for approximately \$316,667 (81%) of the gross revenues in 2006 and five customers accounted for approximately \$335,730 (78%) of the gross revenues in 2005. The organization also grants credit to their larger customers in the area and the credit risk depends upon the economic conditions in the local area.

OFF-BALANCE-SHEET RISK

The organization invests its excess cash in interest bearing checking accounts, savings accounts, and certificate of deposits at local financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2006 and 2005 respectively, the total uninsured balance in these accounts was \$549,035 and \$101,830.

**Combining Statements
And
Individual Fund Schedules**

Jefferson County, Ohio
Fund Descriptions –
Nonmajor Governmental Funds

NonMajor Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

(Continued)

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

Nonmajor Debt Service Fund:

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

Nonmajor Capital Projects Fund:

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

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

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

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

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

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

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

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

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

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

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

Tuberculosis/ Crippled Child Levy	Children Services	Community Development Block Grant	Federal Emergency Management Assistance	Senior Citizens Levy	Total Nonmajor Special Revenue Funds
\$657	\$783,802	\$0	\$0	\$1,108,184	\$3,170,483
0	0	0	0	0	1,283,400
0	27,682	0	0	0	1,635,292
0	0	0	0	0	366,260
0	0	0	0	0	392,532
67,555	2,116,238	767,873	700,700	36,469	7,556,978
0	74,591	0	0	0	75,318
0	0	0	0	0	40,356
0	0	8,350	0	0	92,630
<u>68,212</u>	<u>3,002,313</u>	<u>776,223</u>	<u>700,700</u>	<u>1,144,653</u>	<u>14,613,249</u>
0	0	0	0	0	1,090,181
0	0	0	0	0	198,491
0	0	0	0	0	5,506,754
0	0	0	700,700	0	987,813
182,593	0	0	0	0	306,002
0	3,689,628	0	0	1,133,491	6,430,797
0	0	913,027	0	0	1,180,764
0	0	0	0	0	473,775
0	0	0	0	0	129,973
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,293</u>
<u>182,593</u>	<u>3,689,628</u>	<u>913,027</u>	<u>700,700</u>	<u>1,133,491</u>	<u>16,317,843</u>
<u>(114,381)</u>	<u>(687,315)</u>	<u>(136,804)</u>	<u>0</u>	<u>11,162</u>	<u>(1,704,594)</u>
0	0	0	0	0	1,129,390
0	0	0	0	0	473,775
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(548,701)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,054,464</u>
<u>(114,381)</u>	<u>(687,315)</u>	<u>(136,804)</u>	<u>0</u>	<u>11,162</u>	<u>(650,130)</u>
<u>2,171,493</u>	<u>1,959,906</u>	<u>83,971</u>	<u>0</u>	<u>45,571</u>	<u>6,788,697</u>
<u>\$2,057,112</u>	<u>\$1,272,591</u>	<u>(\$52,833)</u>	<u>\$0</u>	<u>\$56,733</u>	<u>\$6,138,567</u>

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Jefferson County, Ohio
Fund Descriptions –
Internal Service Funds

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

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

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

Jefferson County, Ohio
Combining Statement of Fund Net Assets
Internal Service Funds
December 31, 2006

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

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

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

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

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

Jefferson County, Ohio
Fund Descriptions –
Agency Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

	<u>Balance 12/31/05</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/06</u>
<i>Total - All Agency Funds:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$2,699,847	\$95,846,245	\$95,751,677	\$2,794,415
Receivables:				
Property Taxes	42,310,195	44,292,766	42,310,195	44,292,766
Accounts	1,062,979	1,052,373	1,062,979	1,052,373
Special Assessments	416,987	348,053	416,987	348,053
Intergovernmental	4,871,715	4,894,470	4,871,715	4,894,470
Total Assets	<u><u>\$51,361,723</u></u>	<u><u>\$146,433,907</u></u>	<u><u>\$144,413,553</u></u>	<u><u>\$53,382,077</u></u>
<u>Liabilities:</u>				
Intergovernmental Payable	\$48,219,682	\$50,356,384	\$48,219,682	\$50,356,384
Undistributed Monies	3,142,041	96,077,523	96,193,871	3,025,693
Total Liabilities	<u><u>\$51,361,723</u></u>	<u><u>\$146,433,907</u></u>	<u><u>\$144,413,553</u></u>	<u><u>\$53,382,077</u></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, 2006

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

(Continued)

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

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

(Continued)

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

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

(Continued)

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

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

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

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

(Continued)

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

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

(Continued)

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

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

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

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

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

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

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

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

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

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

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

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

Jefferson County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2006

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

Jefferson County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2006

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

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

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

(Continued)

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

	Final Budget	Actual	Variance Positive (Negative)
Geographic Information System			
Materials and Supplies	\$50,000	\$48,667	\$1,333
Contractual Services	91,080	72,947	18,133
Other	12,000	2,475	9,525
Total Geographic Information System	<u>153,080</u>	<u>124,089</u>	<u>28,991</u>
Total General Government - Legislative and Executive	<u>1,464,897</u>	<u>1,110,874</u>	<u>354,023</u>
Public Works			
Beautification			
Salary and Wages	145,371	142,175	3,196
Fringe Benefits	95,932	95,373	559
Materials and Supplies	5,500	4,022	1,478
Contractual Services	11,471	10,521	950
Capital Outlay	9,124	8,364	760
Other	24,165	21,029	3,136
Total Public Works	<u>291,563</u>	<u>281,484</u>	<u>10,079</u>
Economic Development and Assistance			
Airport Gas Resale			
Materials and Supplies	133,721	61,126	72,595
FAA Wetlands			
Contractual Services	35,264	34,883	381
Airport			
Salary and Wages	52,000	51,219	781
Fringe Benefits	26,910	24,443	2,467
Materials and Supplies	7,000	6,435	565
Contractual Services	8,660	8,654	6
Capital Outlay	44,497	44,497	0
Other	654,655	43,046	611,609
Total Airport	<u>793,722</u>	<u>178,294</u>	<u>615,428</u>
Total Economic Development and Assistance	<u>962,707</u>	<u>274,303</u>	<u>688,404</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, 2006

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

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

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

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2006

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

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2006

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

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2006

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

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Emergency 911 Fund
For the Year Ended December 31, 2006

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

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

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

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

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

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

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

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2006

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

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

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

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

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

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

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

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

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

Jefferson County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance - Health Fund
For the Year Ended December 31, 2006

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

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

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Statistical Section

Statistical Section

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

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

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

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

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

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

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

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

(continued)

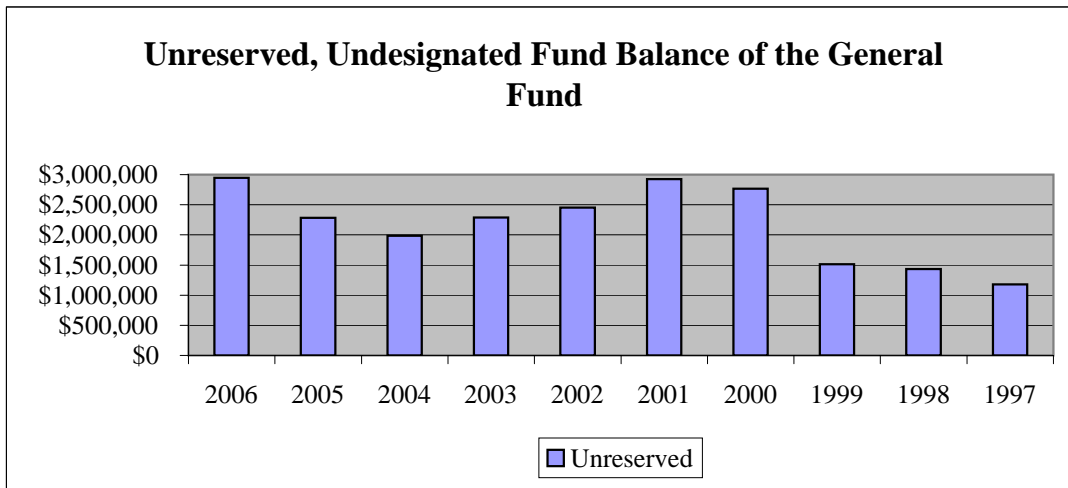
Jefferson County
Changes in Net Assets (Continued)
Last Five Years
(Accrual Basis of Accounting)

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

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

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

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



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

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

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

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

5.4%

5.1%

4.9%

5.4%

27.2%

4.0%

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

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

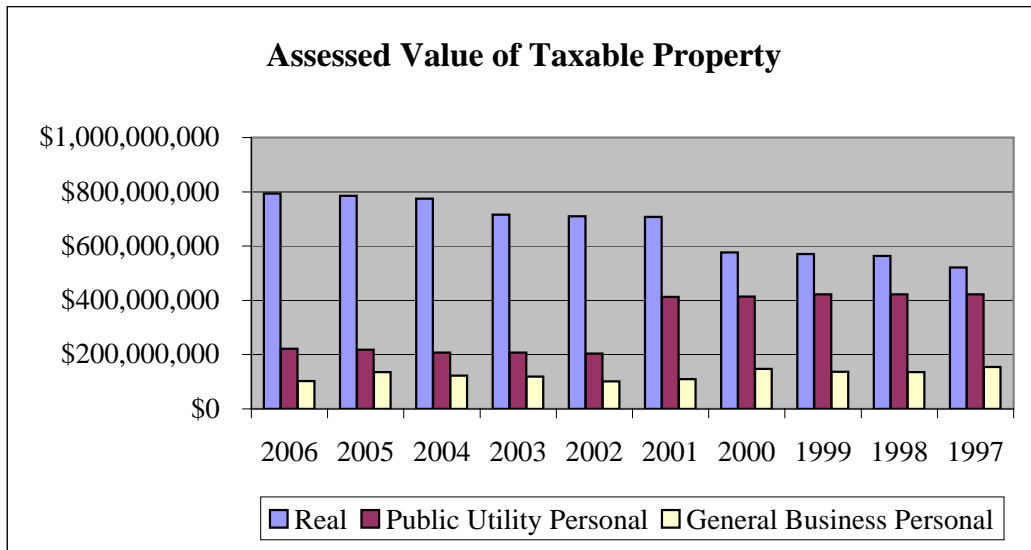
Real property is reappraised every six years with a State mandated update of the current market value in the third year following each reappraisal.

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

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

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

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



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

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

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

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

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

Source : Jefferson County Auditor

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

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

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

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

(Continued)

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

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

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

(Continued)

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

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

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

(Continued)

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

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

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

(Continued)

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

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

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

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

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

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

Source : Jefferson County Auditor

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

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

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

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

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

Source: *Jefferson County Auditor*

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

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

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

Source: Jefferson County Auditor

Jefferson County
Principal Taxpayers
Real Estate Tax
2006 and 2003 (1)

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

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

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

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

Source : Jefferson County Auditor

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

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

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

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

Source: Jefferson County Auditor

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

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

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

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

Source : Jefferson County Auditor

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Jefferson County
Ratios of Outstanding Debt
Last Ten Years

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

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

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

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

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

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

(1) General Obligation Bonds only.

Sources: Jefferson County Auditor's Office
 US Census Bureau

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

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

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the County by the total assessed valuation of the subdivision. The valuations used were for the 2006 collection year.

Source: Jefferson County Auditors Office

Jefferson County
Computation of Legal Debt Margin
Last Ten Years

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

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

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

Source: Jefferson County Auditor

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

Jefferson County
Pledged Revenue Coverage - Water Fund
Last Ten Years

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

- (1) Total Revenue (including interest) exclusive of tap fees, capital grants, and permissive taxes
- (2) Total operating expenses exclusive of depreciation
- (3) Includes principal and interest of revenue bonds only
- (4) Bonds were fully repaid during fiscal year 2005.

Jefferson County
Demographic and Economic Statistics
Last Ten Years

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

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

Jefferson County
Principal Employers
Current Year and Nine Years Ago

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

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

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

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

(1) Information prior to 2000 not available.

Source: Jefferson County Auditor

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

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

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

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Jefferson County
Operating Indicators by Function/Activity
Last Ten Years

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

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

(continued)

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

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

N/A = information not available.

Source: Jefferson County Auditors

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



Mary Taylor, CPA
Auditor of State

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 2, 2007**