



**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

March 23, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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BELMONT COUNTY

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BELMONT COUNTY

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

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Pass-through Entity Number	Federal CFDA Number	Expenditures	Noncash Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
<i>Passed Through Ohio Department of Education.</i>				
Nutrition Cluster:				
Food Donation	NA	10.550	\$0	\$3,505
School Breakfast Program	065854-05-PU-05	10.553	5,246	0
National School Lunch Program	065854-LL-P4-05	10.555	13,622	0
Total U.S. Department of Agriculture - Nutrition Cluster			18,868	3,505
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<i>Passed Through Ohio Department of Development</i>				
Community Development Block Grants/State's Program:				
Formula Allocation Program	B-F-03-007-1	14.228	113,542	0
Formula Allocation Program	B-F-04-007-1	14.228	242,950	0
Community Housing Improvement Program	B-C-03-007-1	14.228	28,429	0
Total Community Development Block Grants			384,921	0
HOME Investment Partnerships Program:				
Community Housing Improvement Program	B-C-03-007-2	14.239	67,945	0
Total U.S. Department of Housing and Urban Development			452,866	0
U.S. DEPARTMENT OF JUSTICE				
<i>Direct Program</i>				
Bulletproof Vest Partnership Program	2002-2013693	16.607	0	0
<i>Passed Through Ohio Department of Youth Services:</i>				
Juvenile Accountability Incentive Block Grants:				
Belmont County Drug Court Program	2003-JB-008-A004	16.523	4,557	0
Oakview Aftercare Program	2002-JB-013-B112	16.523	0	0
Total Juvenile Accountability Incentive Block Grants			4,557	0
Juvenile Justice and Delinquency Prevention - Allocation to States:				
Belmont County Juvenile Drug Court Program	2003-JJ-DA1-0095	16.540	10,327	0
Gender Specific Program	2002-JJ-GS1-0011D	16.540	21,933	0
Sargus Juvenile Center -- Camera System	2002-JJ-SI1-0015D	16.540	10,462	0
Total Juvenile Justice and Delinquency Prevention - Allocation to States			42,722	0
<i>Passed Through Ohio Attorney General's Office:</i>				
Crime Victim Assistance	2005VAGENE034	16.575	28,704	0
Crime Victim Assistance	2006VAGENE034	16.575	11,889	0
Total Crime Victim Assistance			40,593	0
<i>Passed Through Ohio Office of Criminal Justice:</i>				
Violence Against Women Formula Grants:				
Domestic Violence Investigation Project	2002-WF-VA2-8412A	16.588	0	0
Domestic Violence Investigation Project	2002-WF-VA2-8412C	16.588	10,000	0
Domestic Violence Investigation Project	2004-WF-VA2-8412	16.588	15,479	0
Total Violence Against Women Formula Grants			25,479	0
Local Law Enforcement Block Grants Program:				
G.R.E.A.T. Program	2003-PS-PSN-302	16.592	0	0
Total U.S. Department of Justice			113,351	0

BELMONT COUNTY

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

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Pass-through Entity Number	Federal CFDA Number	Expenditures	Noncash Expenditures
U.S. DEPARTMENT OF LABOR				
<i>Passed Through Ohio Department of Jobs and Family Services:</i>				
Unemployment Insurance	G-05-15-1253	17.225	201,673	0
<i>Passed Through Workforce Investment Act Area #16:</i>				
Work Force Investment Act Cluster:				
Workforce Investment Act - Adult Administration	N/A	17.258	27,626	0
Workforce Investment Act - Adult	N/A	17.258	209,983	0
Total Workforce Investment Act - Adult			<u>237,609</u>	<u>0</u>
Workforce Investment Act - Youth Administration	N/A	17.259	18,875	0
Workforce Investment Act - Youth	N/A	17.259	143,469	0
Total Workforce Investment Act - Youth			<u>162,344</u>	<u>0</u>
Workforce Investment Act - Dislocated Workers Administrator	N/A	17.260	20,507	0
Workforce Investment Act - Dislocated Workers	N/A	17.260	155,875	0
Total Workforce Investment Act - Dislocated Workers			<u>176,382</u>	<u>0</u>
Workforce Investment Act - Flood Disaster Grant	N/A	17.260	1,534,420	0
Total Work Force Investment Act Cluster			<u>2,110,755</u>	<u>0</u>
Total U.S. Department of Labor			2,312,428	0
U.S. DEPARTMENT OF TRANSPORTATION				
<i>Passed Through Ohio Department of Transportation</i>				
Highway Planning and Construction	PID-76652	20.205	0	0
Total U.S. Department of Transportation			0	0
U.S. DEPARTMENT OF EDUCATION				
<i>Passed Through Ohio Department of Education.</i>				
Special Education Cluster (IDEA):				
Special Education - Grants to States (IDEA, Part B)	065854-6BSF-2005	84.027	28,845	0
	065854-6BSF-2006	84.027	18,667	0
Total Special Education - Grants to States (IDEA, Part B)			<u>47,512</u>	<u>0</u>
Special Education - Preschool Grants (IDEA, Preschool)	065854-PGS1-2005	84.173	7,261	0
	065854-PGS1-2006	84.173	3,786	0
Total Special Education - Preschool Grants (IDEA, Preschool)			<u>11,047</u>	<u>0</u>
Total Special Education Cluster (IDEA)			58,559	0
Innovative Education Program Strategies, Title V	065854-C2-S1-2005	84.298	226	0
	065854-C2-S1-2006	84.298	29	0
Total Innovative Education Program Strategies, Title V			<u>255</u>	<u>0</u>
Total U.S. Department of Education			58,814	0
ELECTION ASSISTANCE COMMISSION				
<i>Passed Through the Ohio Secretary of State</i>				
Election Reform				
Certified Elections Registration Administrator Training Grant	N/A	39.011	0	0
Voter Education and Poll Worker Training Grant	N/A	39.011	0	0
Total Election Reform			<u>0</u>	<u>0</u>
Help America Vote Act				
Voting Equipment Grant	E05-0238-07	90.401	609,856	0
Total Election Assistance Commission			609,856	0

BELMONT COUNTY

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

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Pass-through Entity Number	Federal CFDA Number	Expenditures	Noncash Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<i>Passed Through Ohio Department of Jobs and Family Services:</i>				
Special Programs for the Aging Title IV and Title II Discretionary Proje	N/A	93.048	24,369	0
Chafee Foster Care Independent Living	N/A	93.674	26,284	0
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>				
Social Services Block Grant - Title XX	N/A - 2005	93.667	28,362	0
	N/A - 2006	93.667	14,611	0
Total Social Services Block Grant - Title XX			<u>42,973</u>	<u>0</u>
Medical Assistance Program				
Community Alternative Funding System - Title XIX	0700012	93.778	2,023,272	0
Targeted Case Management	0700012	93.778	564,523	0
Waiver Administration System	0700012	93.778	76,019	0
Total Medical Assistance Program			<u>2,663,814</u>	<u>0</u>
Total U.S. Department of Health and Human Services			2,757,440	0
U.S. DEPARTMENT OF HOMELAND SECURITY				
<i>Passed Through Ohio Department of Public Safety - Emergency Management Agency:</i>				
State Domestic Preparedness Equipment Support Program				
State Homeland Security Grant Program	2003-TE-TX-0199	97.004	13,322	0
State Homeland Security Grant Program	2003-MUP-30015	97.004	123,314	0
State Homeland Security Grant Program	2004-GE-T4-0025	97.004	249,069	0
Total State Domestic Preparedness Equipment Support Program			<u>385,705</u>	<u>0</u>
Public Assistance Grants				
Disaster Assistance - Engineer	FEMA-1507-DR-013-060C6	97.036	156,129	0
Disaster Assistance - Commissioners	FEMA-1556-DR-013-99013	97.036	53,350	0
Disaster Assistance - Sanitary Sewer District	FEMA-1556-DR-013-01308DBE	97.036	164,357	0
Disaster Assistance - Engineer	FEMA-1556-DR-013-060C6	97.036	1,401,341	0
Disaster Assistance - Sanitary Sewer District	FEMA-1580-DR-01308DBB	97.036	45,549	0
Disaster Assistance - Engineer	FEMA-1580-DR-013-060C6	97.036	742,484	0
Total Public Assistance Grants			<u>2,563,210</u>	<u>0</u>
Hazard Mitigation Grants				
Hazard Mitigation Grant	FEMA-DR-1453-OH	97.039	11,391	0
Emergency Management Performance Grants				
Emergency Management Performance EOC Construction Grant	2005-EM-T5-0001	97.042	38,009	0
Total U.S. Department of Homeland Security			<u>2,998,315</u>	<u>0</u>
Total Federal Awards Expenditures			<u>\$9,321,938</u>	<u>\$3,505</u>

The accompanying Notes to the Federal Awards Expenditures Schedule is an integral part of this Schedule

BELMONT COUNTY

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
DECEMBER 31, 2005**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – CHILD NUTRITION CLUSTER

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

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

NOTE C – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS

The County has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households and to eligible persons and to rehabilitate homes. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Federal Awards Expenditures Schedule (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by fixtures, machinery, and equipment. At December 31, 2005, the gross amount of loans outstanding under this program was \$0. The gross amount of loans outstanding under this program at December 31, 2004 was repaid in full during the calendar year 2005. No new loans were made during calendar year 2005. Delinquent amounts due are \$20,224.

NOTE D – MATCHING

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



Auditor of State Betty Montgomery

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

Belmont County
101 West Main Street
St. Clairsville, Ohio 43950

To the Board of County 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 Belmont County, Ohio (the County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 23, 2006, wherein we noted we did not audit the financial statements of Belco Works, Inc., the County's only 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 Belco Works, Inc., on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Other auditors audited the financial statements of Belco Works, Inc., in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards* and accordingly this report does not extend to that component unit.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting to determine our auditing procedures in order to express our opinions on the basic financial statements and not to opine on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the County's ability to record, process, summarize, and report financial data consistent with management's assertions in the financial statements. A reportable condition is described in the accompanying Schedule of Findings as item 2005-001.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we do not believe the reportable condition described above is a material weakness. In a separate letter to the County's management dated June 23, 2006, we reported other matters involving internal control over financial reporting which we did not deem reportable conditions.

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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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the County's management dated June 23, 2006, we reported other matters related to noncompliance we deemed immaterial.

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



Betty Montgomery
Auditor of State

June 23, 2006



Auditor of State Betty Montgomery

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

Belmont County
101 West Main Street
St. Clairsville, Ohio 43950

To the Board of County Commissioners:

Compliance

We have audited the compliance of Belmont County, Ohio (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that apply to each of its major federal programs for the year ended December 31, 2005. The Summary of 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 we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

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

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

Federal Awards Expenditures Schedule

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 Belmont County as of and for the year ended December 31, 2005, and have issued our report thereon dated June 23, 2006, wherein we note that we did not audit the financial statements of Belco Works, Inc., the County's only 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 Belco Works, Inc., on the report of the 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, the Board of Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Betty Montgomery
Auditor of State

June 23, 2006

BELMONT COUNTY
SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2005

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)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control 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):	Help America Vote Act, CFDA #90.401; Medical Assistance Program, CFDA #93.778; State Domestic Preparedness Equipment Support Program, CFDA #97.004;
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

BELMONT COUNTY

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2005
(Continued)**

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

FINDING NUMBER 2005-001

Reportable Condition – Statement on Auditing Standards (SAS) No. 70

Statement on Auditing Standards (SAS) No. 70, as amended, prescribes standards for reporting on service organizations. An unqualified Type Two *Report on Policies and Procedures Placed in Operation and Tests of Operating Effectiveness* in accordance with SAS No. 70 provides the County with reasonable assurance that Medicare claim transactions conform to the contract, as well as the completeness and accuracy of Medicare claims processed by its third-party administrator. As an alternative, the County may request an independent auditor perform agreed-upon procedures at the service organization to gain assurance over Medicare claims.

The Park Health Center, Belmont County has delegated Medicare claims processing, which is a significant accounting function, to a third-party administrator. The Park Health Center has not established procedures to determine whether this service organization has sufficient controls in place and operating effectively to reduce the risk that the Medicare claims have not been completely and accurately processed in accordance with the Medicare contract. Failure to obtain assurance through a Type Two SAS No 70 report or agreed-upon procedures will presumably result in a qualified opinion. The Park Health Center receives medicare payments directly from Ohio Department of Job and Family Services.

We recommend the Park Health Center, Belmont County, specify in its contract with the third-party administrator that an annual Type Two SAS-70 Report be obtained or agreed-upon procedures be performed. The County should be provided a copy of the respective report timely and should review the report's content. The SAS 70 report or agreed-upon procedures should be conducted in accordance with the American Institute of Certified Public Accountants' (AICPA) standards by a firm registered and considered in "good standing" with the Accountancy Board of the respective State. If the third-party administrator refuses to provide a Type Two SAS 70 report or agreed-upon procedures, we recommend the County only contract with a third-party administrator that will provide such a report.

Officials' Response

We did not receive a response from the Officials to the finding reported above.

3. FINDINGS FOR FEDERAL AWARDS

None.

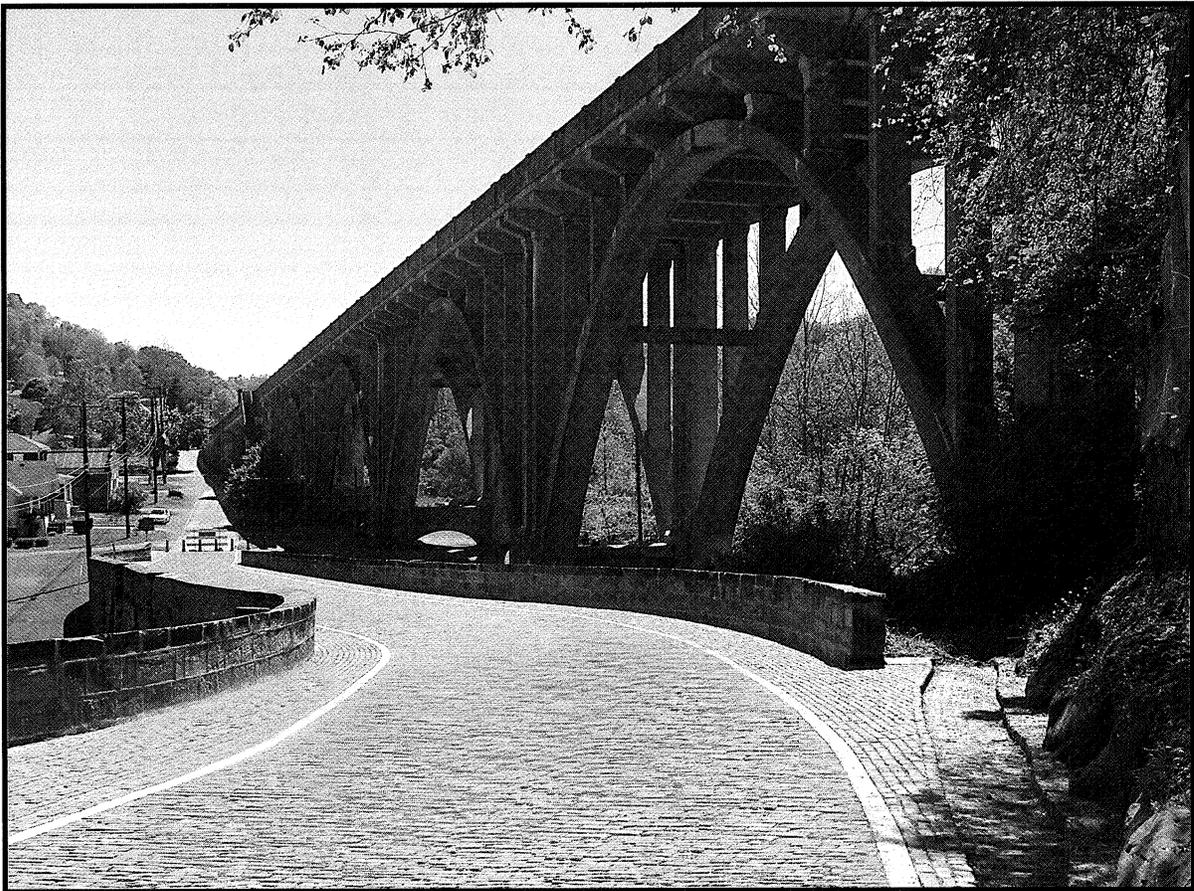
BELMONT COUNTY

**CORRECTIVE ACTION PLAN
OMB CIRCULAR A-133 SECTION .315 (c)
FOR THE YEAR ENDED DECEMBER 31, 2005**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2005-001	Management will review its Medicare contract to ensure that it includes the stipulation that its third-party administrator have either a SAS No. 70 Report or an agreed-upon procedures report for the year ending December 31, 2006.	December 31, 2006	Joseph Pappano, County Auditor

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005



BELMONT COUNTY, OHIO

Front Cover: The 1828 Blaine Bridge

Constructed on a part of the first federally funded national highway, the 1828 "S" Blaine Hill Bridge carried early travelers over Wheeling Creek up the western hills of Ohio from the Ohio River crossings in Bridgeport, OH and Wheeling, WV. At a constant grade of approximately 6.3% from east to west, it provided a way to travel the near 500-foot climb out of the valley.

Built of stone, the bridge is 345 feet in length. The 1828 Bridge remains the longest existing span of its type on the entire six state Historic National Road. It is thought to be perhaps the first bridge in the Northwest Territory. In 1994, due to the deteriorating condition the bridge was closed to all traffic. Through the intervention of Glenn Harper, Ohio Historical Preservation Office and Fred Bennett, Belmont County Engineer, the plans to destroy the bridge were stopped.

In 2001, the Ohio General Assembly designated the bridge as Ohio's Official Bicentennial bridge. Local, state and federal funds were secured to repair and restore this historic artifact. The official dedication of the restored bridge was celebrated in September 2005.

The span in the background is the 1933 Blaine Hill Viaduct bridge. This bridge was constructed due to the increased volume of automobiles and is still in use today. Please visit www.blainebridge.org for additional information.



Photo: Fred Bennett, Belmont County Engineer

BELMONT COUNTY, OHIO

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2005

JOSEPH A. PAPPANO

BELMONT COUNTY AUDITOR

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Introductory Section

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Belmont County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
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Comprehensive Annual Financial Report
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Belmont County, Ohio
Comprehensive Annual Financial Report
For the Year Ended December 31, 2005
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BELMONT COUNTY



JOSEPH A. PAPPANO
Auditor

Secretary of Budget Commission
Secretary of Board of Revision

Auditor's Office

101 West Main Street • St. Clairsville, Ohio 43950
www.belmontcountyohio.org/auditor.htm

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Manufactured Homes	(740) 699-2131
Dog/Kennel License	(740) 699-2131
Vendor License	(740) 699-2131
Weights & Measures	(740) 699-2132
Fax	(740) 699-2154

June 23, 2006

Honorable Charles R. Probst, Jr, President
Honorable Gordon Longshaw
Honorable Mark A. Thomas

Citizens of Belmont County, Ohio:

As Auditor of Belmont County, I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Belmont County for the year ended December 31, 2005. This CAFR, which includes financial statements and other financial and statistical data, conforms to 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 the County with comprehensive financial data in a format that will enable 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 the County and the results of its operations with other governmental entities. The CAFR is divided into three sections:

1. The Introductory Section includes this transmittal letter, the 2004 Certificate of Achievement for Excellence in Financial Reporting, a list of elected and principal appointed officials, and the County's organizational chart.
2. The Financial Section contains the Auditor of State's opinion letter, Management's Discussion and Analysis (MD&A), notes to the basic financial statements and other schedules.
3. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

Responsibility for the accuracy, completeness and fairness of this presentation, including all disclosures, lies with the management of Belmont County, specifically the County Auditor's office.

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, although not absolute, assurance regarding both the safeguarding of the County's assets against loss and misuse, and assurance regarding the reliability of financial records for the preparation of financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

Belmont County uses a fully automated accounting system and payroll system. These systems, combined with the manual auditing of each voucher prior to payment by the Auditor's office ensure that the financial information generated is both accurate and reliable.

INDEPENDENT AUDIT:

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of December 31, 2005, by our independent auditor, Betty Montgomery, Auditor of State. In addition to meeting the requirements as set forth in the state statutes, the audit is also designed to meet the requirements of the Federal Single Audit Act Amendments of 1996.

County management plans to continue to subject the financial statements to an annual independent audit as part of the preparation of a CAFR. The annual audit serves to maintain and strengthen the County's accounting and budgetary controls. To comply with the legal filing requirements the CAFR is filed with the Auditor of State of Ohio and the Federal Audit Clearinghouse.

Management Discussion & Analysis

Management is responsible for preparing the Management Discussion and Analysis of the County. This discussion follows the Independent Accountants' Report, providing an assessment of the County finances for 2005. Interested parties should refer to the MD&A to provide a more detailed discussion of the County's finances that starts on page three.

PROFILE OF GOVERNMENT:

The County

Established in September 7, 1801, Belmont County was the ninth County formed from the Northwest Territory. Farming, coal and steel drove the economy in the 1900's. Today, the economy is service oriented. Today, farming, coal and steel are still a part of the economy but those areas continue to decline in the number of working farms and the number of employees still employed in the coal and steel industry.

The County's population continues to decline as the higher paying jobs decline. In 1960 the County population was 83,864; in 2005 the estimated population for Belmont County was 70,226.

The County encompasses sixteen townships, six fire districts, two cities, and fourteen villages, with three of these villages overlapping into other counties. With a 2000 census population of 5,057, St. Clairsville is the County seat. According to the 2000 Census, 70,226 people reside within the County's 534 square miles. Situated on the Ohio River across from Wheeling, West Virginia, the County is readily accessible by means of Interstate Routes 70 and 470, United States Routes 40 and 250, and sixteen state highways.

Reporting Entity and Service Provided

Belmont County provides its citizens with a wide range of services including the following:

- Human and Social services
- Health and Community Assistance services
- Civil and Criminal Justice System services
- Road, Bridge, and Building maintenance
- Water and Sewer Utility services
- General and Administrative Support services

Form of Government

A three-member Board of Commissioners, fourteen other elected officials, and various department heads govern the County. Although the elected officials and the department heads manage the internal operations of their respective divisions, the Board of Commissioners authorizes expenditures and serves as the budget and taxing authority, contracting body, and the chief administrator of County services.

As the chief disbursing agent, fiscal officer, and tax assessor, the County Auditor is responsible for issuing warrants for liabilities incurred by the County, preparation of the County payroll, maintaining all financial records and reports, and establishing taxing rates for manufactured homes, personal property and real estate. Once collected, tax receipts are distributed to the appropriate city, village, township, fire district, or school district in accordance with the legally adopted rates. The County Auditor also serves as the sealer of weights and measures and as the licensing agent for certain licenses required by Ohio law.

The County Treasurer, as the custodian of all County funds, is responsible for collecting tax monies and applying payments to the appropriate tax account. The County Treasurer is also responsible for investing idle funds as specified by Ohio law.

In addition to the Board of County Commissioners, the Auditor, and the Treasurer, other elected officials of the County include the Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff, three Common Pleas Court Judges, and three County Court Judges.

Administration of the Justice System

As a part of the administration of the justice system, the County maintains the Common Pleas Court, which includes a Domestic Relations Division, a Probate Division and a Juvenile Division, three County Court Divisions, and the Court of Appeals. The County also maintains the Prosecuting Attorney's offices and the County Jail. The Prosecuting Attorney is designated by Ohio law as the chief legal counsel for all County officers, boards, and agencies, including the Commissioners, the County Auditor and the County Treasurer.

The Clerk of Courts keeps all official records of the Common Pleas Court and serves as Clerk of the Court of Appeals. 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. The sheriff enforces the law in unincorporated areas of the County, maintains the County Jail, and is responsible for its inmates, including persons detained for trial or transfer to other institutions. As an officer of the court, the Sheriff is in charge of the preparation and service of documents. The Sheriff employs sixty-six deputies and eleven part-time employees to staff the jail and civil office.

Budgetary Controls

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

A computerized certification system allows the Auditor's Office to ascertain the status of a department's appropriations prior to authorizing additional purchases from a particular account. Additional information concerning the County's budgetary controls may be found in Notes to the Basic Financial Statements.

REPORTING ENTITY:

For financial reporting purposes, the County has included all agencies, departments, organizations that are not legally separate from the County (the Primary Government.) and the Component Units in accordance with principles established by the Governmental Accounting Standards Board (GASB) Statement 14, "The Financial Reporting Entity."

Component Units are legally separate organizations for which the County is financially accountable. See Note 1 for the list of entities.

LOCAL ECONOMIC CONDITION:

Toward the end of 2005 the Federal Reserve reported that the economy in Ohio, in general, improved. Eastern Ohio, which includes Belmont County, did not share in the national economic upswing. Today, the County primarily relies on the retail hotel and food service sectors for job opportunities with businesses located at the Ohio Valley Mall, the Ohio Valley Plaza, and other small local businesses. Retailing continues to hold its own in Belmont County. The Ohio Department of Development (ODOD) website listed 4,871 persons employed in retail and 2,645 in the hotel and food service areas. On the plus side, retail sales countywide continued to rise and total state sales tax collected in 2005 exceeded \$800 million.

In the past, the mining and steel industry provided the higher paying jobs for local residents. In the early 1980's, according to the United Mine Workers, District 6 office, the mining industry provided over 10,000 jobs in Belmont County. The Ohio Department of Development website in 2004, listed the number of mining jobs as 1,124. In 1980 the population of Belmont County was 82,511; the estimated population for 2005 was 70,226.

Manufacturing in the region was reported slightly below projections. Steel demand has softened and prices have as well. Locally, the repeal of the 2000 law known as The Byrd Bill Amendment is a concern to the Wheeling-Pittsburgh Steel Corporation. The law redirects tariffs on foreign goods from the U.S. treasury to manufacturers that file illegal dumping complaints. "Dumping" is the term for foreign imports sold in the U.S. market at below American production costs. The Byrd Bill will sunset at the end of 2007.

Wheeling-Pittsburgh Steel continues to make investments to secure the future of the company. This company has plants in Martins Ferry and Yorkville which employ over 600 employees. The new Wheeling-Pittsburgh electric arc furnace (EAF) is at about 75% capacity. The investment in the EAF technology reduces the amount of coke needed to produce steel by approximately 50 percent.

Wheeling-Pittsburgh Steel has partnered with SNA Carbon, LLC, a wholly owned subsidiary of Severstal North America, Inc. of Dearborn, Michigan to form and fund a new joint venture, Mountain State Carbon, LLC, that now owns the Wheeling-Pittsburgh's coke plant in Follansbee, WV. The culmination of this joint venture is a significant milestone in the quest to secure a reliable and competitive domestic supply of metallurgical coke for their steelmaking operations. Wheeling-Pittsburgh and SNA Carbon will purchase all coke produced by Mountain State Carbon at cost. Severstal will have contributed over \$120 million for a 50% share of the coke plant. The contributions will be used to rehabilitate the plant's four coke batteries.

Also of concern to the County are the sale of Ormet Corporation's aluminum rolling mill division and the furlough of about 500 hourly workers. The plant is located at Belmont County's southern border in Monroe County. Many of the employees reside in Belmont County, and numerous business suppliers to the plant are located in Belmont County.

As the job force changes, new technologies and new job openings need new skill sets. The County has an opportunity to partner with Ohio University, Ohio State University and Belmont Technical College in pursuing education and training upgrades for a workforce that is not skilled in many information technology areas. As these educational partnership programs continue to evolve, the skill of the local workforce will continue to improve for better paying positions.

Fox Commerce Park continues to attract new tenants. Presently, five firms account for real property investment of more than \$6 million and a workforce of 128 employees. Present businesses include Mack's, Inc. a trucking firm, Tim's Custom Installation, Inc., custom counter tops & cabinetry, FedEx Freight East, Inc. a freight delivery company, Avalon Innovation Inc. which specializes in high-tech, multi-media, web site design, web hosting, IT information and CAD systems, and Care Properties, a company that provides training and care for the mentally challenged. Four additional firms are creating site plans, investigating operation needs, customizing infrastructure services or negotiating financing.

Slightly more than 30% of the available acreage at Fox Commerce Park is sold, optioned, or sale pending. About 28 of the 103 buildable acres are encumbered.

The County continues to expand the water and sewer infrastructure to underserved areas of the County. The intent is to have utilities in place for the future development of prime areas. The completion of the sewer lines at the Interstate 70 Exit 208 area will open up this area for new business ventures.

LONG-TERM FINANCIAL PLANNING:

The County does not have a formal policy or detailed written procedures pertaining to long term financial planning. The County is however, aware of the need to plan for future financial trends that may affect the financial stability and possibly the County's ability to continue providing services to the public at an acceptable level.

The County Commissioners on November 17, 2000 adopted a resolution pursuant to the provisions of Ohio Revised Code Section 5705.13(A) establishing a Budget Stabilization Account within the General Fund. This account is intended to stabilize the county budget against cyclical changes in revenues and expenditures that may adversely affect the viability of the General Fund operations and provide for contingencies and unexpected emergencies.

The Budget Stabilization Account at December 31, 2005 has accumulated \$966,045. This money can only be used for purposes described pursuant to all other statutory laws and regulations related to expenditures normally. This fund is established for a period of ten years and can not exceed 5% of the preceding years General Fund revenues.

The County Commissioners also on June 1, 2001 pursuant to Ohio Revised Code 5739.026 established an Infrastructure Fund. This fund is intended to accumulate permissive sales and use tax from General Fund transfer. This fund is to be utilized for development of infrastructure projects intended to serve the people of the County and create improvements to areas intended for economic development. This fund has accumulated \$6,254,472 over the past five years for that purpose. Establishment of this separate fund has allowed the County to maintain greater accountability over the use of these funds separate from the General Fund ensuring they are used for the purpose intended allowing the County to achieve its objective.

Slightly more than 30% of the available acreage at Fox Commerce Park is sold, optioned, or sale pending. About 28 of the 103 buildable acres are encumbered. The funding for this project is a combination of federal grants and Belmont County's share of a \$400,000 rural industrial park loan. Approximately \$158,000 has been paid to the County from the sale of the land a portion of which was used to pay on the loan. Fox-Commerce is the second Industrial Park created in Belmont County. The Department of Development continues to promote and market this land. It is anticipated that final build-out of the Fox Commerce Park will see a potential investment of \$22 million and put the job creation to 500 workers.

There are other informal planning procedures that occur within the County between the County Commissioners, County Auditor, County Treasurer, County Engineer and County Sanitary Sewer District. These procedures have allowed the County to move forward despite difficult economic times generally within the area. These procedures are excellent planning tools for budgeting purposes and will continue to serve as a mechanism to ensure the future viability of County services and projects.

RELEVANT FINANCIAL POLICIES

In 2005, the County borrowed \$2 million to provide funds for the County Engineer to repair roads, bridges and embankment failures that were a result of heavy rains and flash flooding from three Federal Emergency Management Agency (FEMA) declared disasters. The disasters occurred in January and September 2004 and January 2005. As a result of these disasters, there were 162 project worksites that were declared eligible for FEMA and Ohio Emergency Management Agency (OEMA) funds. Seventy-five percent of the funding for the projects comes from FEMA, 12.5 percent from OEMA and 12.5 percent from the County. Once all the projects are completed it is anticipated that the \$2,000,000 loan will be paid off in March of 2008. The associated repair costs, including the federal, state and local share are 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 useful life of the assets.

MAJOR INITIATIVES:

Current Year Projects

County

Board of Mental Retardation and Developmental Disabilities (BMRDD) - Belco Crafts, a component unit of BMRDD and the County changed its name to Belco Works, Inc. Belco Works, Inc. is a non-profit organization that provides meaningful employment for adults with developmental disabilities. Growth in the Packaging, Assembly and Document Shredding division is illustrated by the acquisition of the new contracts from two national companies. Belco Works now packages and ships all the JC Penny Catalog orders for the Homer-Laughlin China Company's line of Fiesta Ware. Belco was also successful in acquiring a gift certificate assembly contract from Cabela's, the largest outdoor outfitter in the world.

The Enrichment Center – The Belmont County Board of MRDD serves children and adults with developmental disabilities throughout their lives, in many cases from birth to death. The philosophy and practice is to look at the person, assess his or her needs, and then connect them to the things that make life meaningful for them. Since 1966, the County Board and Belco Works, a non-profit subsidiary, have achieved great success in creating job opportunities. There remain, however, many more people on the County board rolls for whom work is not a priority. These people do not benefit from the traditional work setting offered at Belco Works due to the severity of their disability.

In 2002, a vision was formed at the County Board for a new area of service, sensory stimulation, where people with severe cognitive and physical disabilities could finally receive services that would enrich their lives through proven activities that stimulate the five senses. Research has proven that sensory experiences benefit all persons with developmental disabilities and makes them more receptive to other therapy forms. In 2004, a \$92,000 trust fund distribution was awarded to the County Board which addressed the funding issue for the program.

In August, 2005, The Enrichment Center opened offering services in four areas- sensory, cognitive, physical and socialization. Individuals rotate between the rooms five days per week, five hours per day. Participants in the Center have made remarkable progress. Many, who languished day after day with nothing to do, are now interacting with their environment, laughing and nodding in recognition of staff and the enrichment activities they provide. These early successes are proof that enrichment services work as well as enhance life for people with developmental disabilities.

Juvenile Court - The Drug Court Program started a new program titled Family Dependency Treatment Court. The participants in this program are typically families who are involved with Children's Services. Because of drug and alcohol abuse in the home, children are removed from their parents and placed in foster care. The purpose of the Family Dependency Court is to provide treatment services to the parents, counseling services for the children and a reunification of the family unit. The program is funded through the Ohio Supreme Court.

Engineer – During 2005 a total of \$3,482,726 in construction contracts were awarded for County road and bridge projects. A total of \$2,453,583 was for seven roadway repair projects and \$362,208 for two bridge projects from damage caused by three federally declared disasters by the Federal Emergency Management Agency (FEMA.) The disasters occurred in January 2004 due to heavy rains, the second one in September 8 & 17, 2004 due to heavy rains and flooding from two hurricanes Francis and Ivan which hit within ten days of one another and the last one was in January 2005 due to heavy rains. Seventy five percent of the funding for these projects comes from FEMA, 12.5 percent from the Ohio Emergency Management Agency (OEMA) and 12.5 percent from the County. A total of 162 project worksites resulted from these three disasters.

Sanitary Sewer District – The two million gallon McKeever water storage tank located in Belmont was completed in August. The tank is currently serving Lamira-Loomis, Water Tower Road, State Route 147 in the Belmont- Centerville area. Additional areas will be served in the future. The cost of this project was \$1.45 million. The Flushing water pump station was completed in December at a total cost of \$311, 000. The pump station will provide an adequate water supply to the residents of Flushing.

Funding for these projects comes from the County one-half cent piggyback tax, loans, Water Works 3 revenues, tap-in fees and \$3 of the monthly user fee for each 1000 gallons of water consumed and or sewage generated.

2006 AND THE FUTURE:

Retailing continues to hold its own in Belmont County. Overall, countywide retail sales continue to rise. Several sites in the County are under review for future development. Widening of Route 40 past Whiteside's Auto Dealership and construction of a new Interstate 70 interchange are some the projects proposed to open up the access areas for the Ohio Valley Mall, Ohio Valley Plaza and Home Pro Enterprises Inc. Home Pro is planning to build a new housing development in this area.

East Ohio Regional Hospital is completing a \$12.5 million expansion project. Phase I included renovation of existing hospital space to add 15 new hospital beds and renovate administrative and outpatient functions. Phase II revamped the emergency area to meet Level III trauma status which included construction of a triage room, dedicated emergency car entrance, trauma room and a new nurse station. Phase III which will be completed in 2006 which involves a new \$10 million surgical department with six operating rooms, two GI rooms, and multiple medical and technical jobs.

Fox-Commerce Industrial Park – This County sponsored \$2.8 million development is located along Interstate 70 and County Road 80. The 125-acre park can accommodate 18 lots in sizes from two to twenty acres. Overall, interest by new businesses continues to be very significant. The funding for this project is a combination of federal grants, a state loan, and Belmont County's local share of \$400,000. Over \$200,000 has been paid to the County from the sale of land to tenants which goes to pay off the \$400,000 loan. Fox-Commerce is the second Industrial Park created in Belmont County. The Department of Development and the County are in ongoing discussions with four potential residents of the Park.

Sanitary Sewer District – The County continues a progressive program to provide water and sewer services to areas not served by these types of infrastructure. The Village of Morristown sewage lift station has an anticipated completion date of June 2006. This \$247,000 project will serve an area that does not have an adequate sewage collection system. Ongoing projects include the Belmont Sewer Pump station and force main design. Exit 215 Phase II Wastewater Collection System when completed will extend along State Route 40 at Reservoir Road west to Country Club Road.

Funding for these projects comes from the County one-half cent piggyback tax, loans, Water Works 3 revenues, tap-in fees and \$3 of the monthly user fee for each 1000 gallons of water consumed and or sewage generated.

AWARDS:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Belmont County for the year ended December 31, 2004. The County has received this prestigious award for thirteen consecutive years. In order to be awarded a Certificate of Achievement, a governmental unit must prepare an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles, and applicable legal requirements respective to the entity.

A Certificate of Achievement is valid for a period of one year. We believe our current report continues to meet the Certificate of Achievements Program's requirements, and we are again submitting it to the GFOA to determine its eligibility to receive the certificate, which is the highest form of recognition in the area of governmental financial reporting.

ACKNOWLEDGMENTS:

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

Preparation of this report could not have been accomplished without the auditor's office staff and especially Roger Conroy, Deputy Auditor, Sheila Turner, Supervisor of Accounting and Judy Jenewein, Special Assistant whose efforts made this report possible. To the County elected officials, department heads and their staffs, I extend my sincere appreciation and thanks for your assistance and cooperation. My appreciation is also extended to the Local Government Services Section of the Auditor of State's office, for their hard work and dedication in preparing this financial report.

And to the Citizens of Belmont County, thank you for providing me with the opportunity to present a professional and complete financial report.

Sincerely,



Joseph A. Pappano
Belmont County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Belmont County,
Ohio

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

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



Carla E. Fudge

President

Jeffrey R. Emmer

Executive Director

**BELMONT COUNTY, OHIO
ELECTED OFFICIALS**

Board of Commissioners

Charles R. Probst, Jr., President
Gordie W. Longshaw
Mark A. Thomas

Auditor

Joseph A. Pappano

Clerk of Courts

Randy L. Marple

Coroner

Troy W. Balgo, MD.

Engineer

Fred F. Bennett

Prosecuting Attorney

Christopher M. Berhalter

Recorder

Mary Catherine Nixon

Sheriff

Fred A. Thompson

Treasurer

Joseph A. Gaudio

Court of Common Pleas

Judge Jennifer Sargus
Judge John M. Solovan II

Court of Common Pleas: Probate and Juvenile

Judge J. Mark Costine

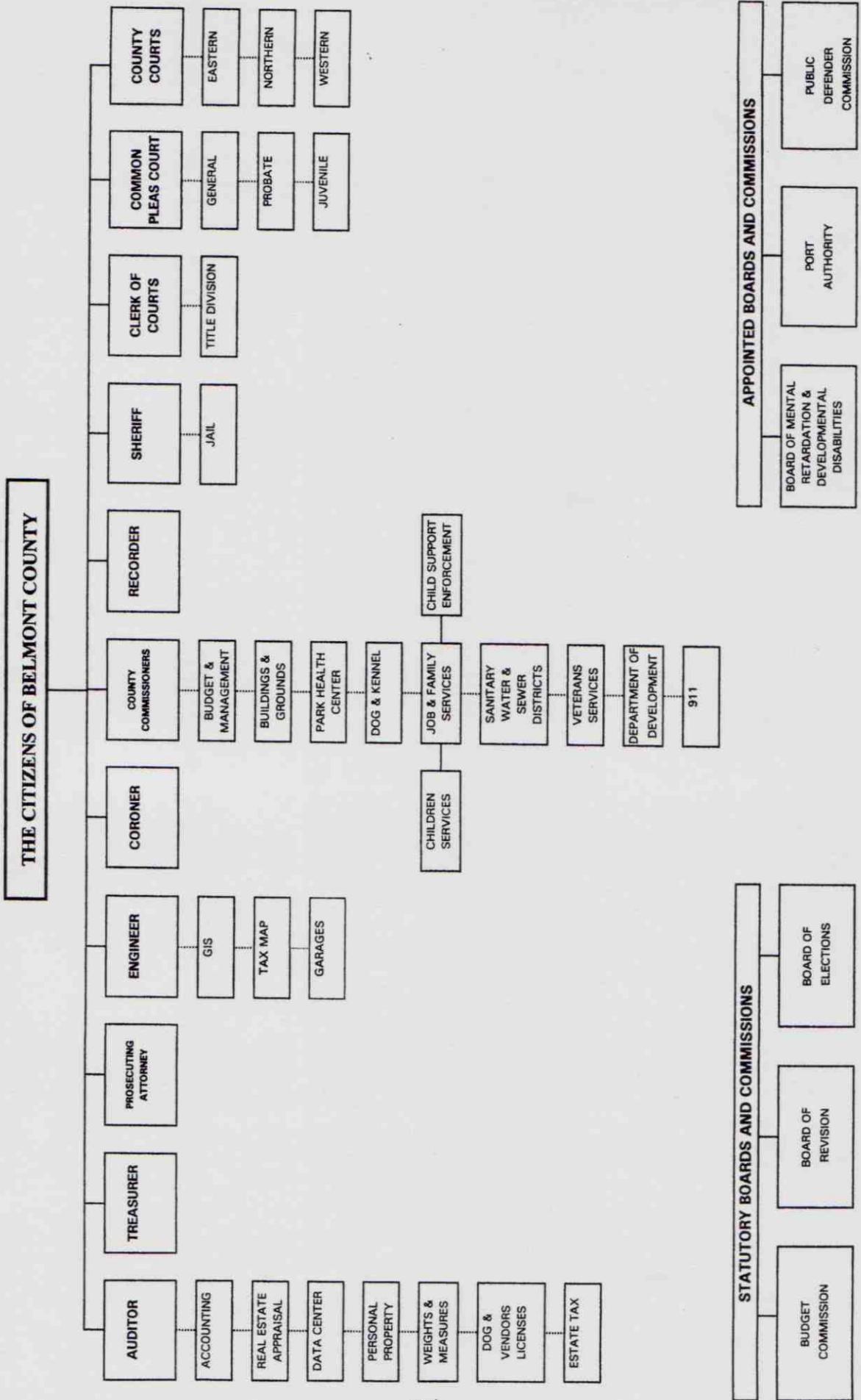
County Court Divisions

Judge D. William Davis - Eastern
Judge Frank A. Fregiato - Northern
Judge Harry W. White - Western

**BELMONT COUNTY, OHIO
PRINCIPAL APPOINTED OFFICIALS AND DEPARTMENT HEADS**

Clerk of Commissioners	Vacant
Board of Elections	William F. Shubat
Building and Grounds, Superintendent	Jack Regis
Dog Pound, Supervisor	Verna Painter
Department of Human Services, Director	Dwayne Pielech
Department of Development, Director	Eva Lunder
Mental Retardation and Development Disabilities, Superintendent	Monty L. Kerr
Veterans Services, Director	Cindy Maupin
Park Health Center, Administrator	Lynn A. Agostini
Sanitary Sewer and Water Districts, Director	Mark Esposito
Public Defender	James L. Nichelson
9-1-1 Emergency, Director	Cliff Sligar
Port Authority	Vacant

BELMONT COUNTY GOVERNMENT ORGANIZATIONAL CHART



Financial Section

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Belmont County
101 West Main Street
St. Clairsville, Ohio 43950

To the Board of County 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 Belmont County, Ohio (the County), as of and for the year ended December 31, 2005, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Belco Works, Inc., the County's only 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 Belco Works, Inc., on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *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 Belco Works, Inc., in accordance with auditing standards generally accepted in the United States of America and not in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our report 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 Belmont County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General, Public Assistance, and Mental Retardation 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 23, 2006, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

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



Betty Montgomery
Auditor of State

June 23, 2006

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

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

Financial Highlights

Key financial highlights for 2005 are as follows:

The assets of the County exceeded its liabilities at December 31, 2005 by \$110,028,473 (net assets). Of this amount \$18,588,029 is unrestricted and may be used to meet the County's ongoing obligations. Governmental activities' unrestricted net assets are \$12,642,354. The County's total net assets increased \$4,716,748.

At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$31,071,565, an increase of \$4,437,930 from the prior year. Of this amount, \$26,159,488 is available for spending (unreserved fund balance) on behalf of its citizens.

At the end of the current year, unreserved fund balance for the General Fund was \$3,504,940, which represents 20 percent of total General Fund expenditures.

Using This Annual Financial Report

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

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

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

Statement of Net Assets and Statement of Activities

The statement of net assets presents information on all of the County's assets and liabilities, except for the County's fiduciary funds, 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.

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

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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 District is reported here.

Component Units - The County's financial statements include financial data for Belmont County's Belco Works, Inc. 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 its own name and can sue or be sued in its 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, Public Assistance and Mental Retardation Special Revenue Funds, and the Infrastructure Capital Projects Fund.

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 - 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 various Water Fund and Sewer Fund operations, and the operation of the Park Health Center facility.

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

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resources from those funds are not available to support the County's programs. The accounting method used for fiduciary funds is the same as 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.

Government-Wide Financial Analysis

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

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Assets						
Current and Other Assets	\$51,422,793	\$46,337,418	\$7,704,710	\$9,994,244	\$59,127,503	\$56,331,662
Capital Assets, Net	60,643,622	59,370,755	34,790,595	33,791,346	95,434,217	93,162,101
Total Assets	112,066,415	105,708,173	42,495,305	43,785,590	154,561,720	149,493,763
Liabilities						
Long-Term Liabilities	9,568,752	7,405,972	20,925,032	17,813,869	30,493,784	25,219,841
Other Liabilities	12,944,646	14,170,381	1,094,817	4,791,816	14,039,463	18,962,197
Total Liabilities	22,513,398	21,576,353	22,019,849	22,605,685	44,533,247	44,182,038
Net Assets						
Invested in Capital Assets,						
Net of Debt	52,224,190	52,570,898	14,180,359	12,519,133	66,404,549	65,090,031
Restricted	24,686,473	20,107,851	349,422	353,313	25,035,895	20,461,164
Unrestricted	12,642,354	11,453,071	5,945,675	8,307,459	18,588,029	19,760,530
Total Net Assets	\$89,553,017	\$84,131,820	\$20,475,456	\$21,179,905	\$110,028,473	\$105,311,725

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 \$110,028,473 (\$89,553,017 in governmental activities and \$20,475,456 in business-type activities) as of December 31, 2005. By far, the largest portion of the County's net assets (60.3 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 (16.9 percent) consists of unrestricted net assets (\$18,588,029) which may be used to meet the County's ongoing obligations to citizens and creditors. The remaining balance (22.8 percent) represents resources that are subject to restrictions on how they can be used.

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Table 2 provides a summary of the County's change in net assets for 2005 compared to 2004:

Table 2
Changes in Net Assets

	Governmental Activities		Business-Type Activities		Totals	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues:						
Charges for Services	\$6,395,648	\$5,875,849	\$10,929,185	\$11,631,533	\$17,324,833	\$17,507,382
Operating Grants	31,084,463	23,699,586	0	29,272	31,084,463	23,728,858
Capital Grants	2,600,000	252,241	44,011	50,967	2,644,011	303,208
Total Program Revenues	40,080,111	29,827,676	10,973,196	11,711,772	51,053,307	41,539,448
General Revenues:						
Property Taxes	9,283,912	9,068,133	0	0	9,283,912	9,068,133
Permissive Sales Taxes	12,067,903	11,870,097	0	0	12,067,903	11,870,097
Grants and Entitlements	529,761	843,546	0	0	529,761	843,546
Investment Earnings	1,338,113	808,932	122,722	26,536	1,460,835	835,468
Miscellaneous	1,082,996	494,267	25,536	31,318	1,108,532	525,585
Total General Revenues	24,302,685	23,084,975	148,258	57,854	24,450,943	23,142,829
Total Revenues	64,382,796	52,912,651	11,121,454	11,769,626	75,504,250	64,682,277
Program Expenses						
General Government						
Legislative and Executive	8,506,362	7,669,610	0	0	8,506,362	7,669,610
Judicial	3,077,922	2,839,016	0	0	3,077,922	2,839,016
Public Safety	8,799,940	8,099,869	0	0	8,799,940	8,099,869
Public Works	6,765,150	10,198,785	0	0	6,765,150	10,198,785
Health	11,548,635	10,536,210	0	0	11,548,635	10,536,210
Human Services	17,281,713	14,046,442	0	0	17,281,713	14,046,442
Economic Development and Assistance	276,427	333,973	0	0	276,427	333,973
Intergovernmental	2,045,558	1,957,473	0	0	2,045,558	1,957,473
Interest and Fiscal Charges	317,042	245,327	0	0	317,042	245,327
Park Health Center	0	0	6,338,579	5,924,203	6,338,579	5,924,203
Sanitary Sewer District 2	0	0	1,016,134	980,303	1,016,134	980,303
Water Works 3	0	0	2,904,472	2,735,397	2,904,472	2,735,397
Other Enterprise	0	0	1,909,568	1,788,648	1,909,568	1,788,648
Total Expenses	58,618,749	55,926,705	12,168,753	11,428,551	70,787,502	67,355,256
Increase (Decrease) before transfers	5,764,047	(3,014,054)	(1,047,299)	341,075	4,716,748	(2,672,979)
Transfers	(342,850)	0	342,850	0	0	0
Change in Net Assets	5,421,197	(3,014,054)	(704,449)	341,075	4,716,748	(2,672,979)

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Governmental Activities

Operating grants and contributions were the largest program revenues, accounting for \$31,084,463 or 48.3 percent of total governmental revenues. This represents an increase of \$7,384,877 from the prior year. The major recipients of intergovernmental program revenues were the Job and Family Services (Public Assistance), Motor Vehicle and Gasoline Tax, Federal Emergency Management Agency(FEMA), Court Judicial programs and Mental Retardation and Developmental Disabilities governmental activities. The Job and Family Services realized the most significant increase in operating grants and contributions as compared with the prior year. In addition, an increase occurred in FEMA grants. Permissive sales tax revenues account for \$12,067,903 or 18.7 percent of total governmental activities revenues. Another major component of governmental activities revenues was property tax revenues, which accounted for \$9,283,912 or 14.4 percent of total revenues. Permissive sales tax revenues increased moderately from the prior year (\$197,806 increase) while property tax revenue increased \$215,779 or approximately 2.4 percent. The County's direct charges to users of governmental services made up \$6,395,648 or 9.9 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 \$519,799 from the prior year.

Human services programs accounted for \$17,281,713, or 29.5 percent of total expenses for governmental activities. This represents an increase of \$3,235,271 from the prior year due to the receipt of the Help America Vote Grant and the Flood Disaster Grant. Other major program expenses for governmental activities include health programs, which accounted for \$11,548,635 or 19.7 percent of total expenses, public works programs, which accounted for \$6,765,150, or 11.5 percent of total expenses and public safety programs, which accounted for \$8,799,940, or 15 percent of total expenses. Public works program expenses decreased significantly from the prior year which is attributed to the numerous flood related project expenses in 2004.

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

	Total Cost of Services		Net Cost of Services	
	2005	2004	2005	2004
General Government				
Legislative and Executive	\$8,506,362	\$7,669,610	\$5,507,872	\$5,032,371
Judicial	3,077,922	2,839,016	1,688,857	1,190,002
Public Safety	8,799,940	8,099,869	7,227,875	6,559,103
Public Works	6,765,150	8,195,280	(5,328,134)	2,729,733
Health	11,548,635	10,536,210	5,562,943	5,719,565
Human Services	17,281,713	14,046,442	1,563,135	492,940
Economic Development and Assistance	276,427	333,973	276,427	333,973
Intergovernmental	2,045,558	1,957,473	1,722,621	1,792,510
Interest and Fiscal Charges	317,042	245,327	317,042	245,327
Total Expenses	\$58,618,749	\$53,923,200	\$18,538,638	\$24,095,524

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Charges for services and grants of \$40,080,111 (68.4 percent of the total costs of services) are received and used to fund the government activity expenses of the County. The remaining \$18,538,638 in general government expenses were covered by remaining general revenues, including property taxes, sales taxes, and intergovernmental revenues.

Business-Type Activities

The net assets for business-type activities decreased \$704,449 during 2005. Charges for services were the largest program revenue, accounting for \$10,929,185, or 98.2 percent of total business type activities revenues. Charges for services decreased \$702,348 the prior year due to decline in consumption.

Financial Analysis of County Funds

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

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

As of December 31, 2005, the County's governmental funds reported a combined ending fund balance of \$31,071,565, an increase of \$4,437,930 in comparison with the prior year. Approximately 84.2 percent of this total (\$26,159,488) constitutes unreserved fund balance, which is available for spending at the County's discretion.

The General Fund is the primary operating fund of the County. At the end of 2005, unreserved fund balance was \$3,504,940, while total fund balance was \$6,802,686. 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 19.9 percent to total General Fund expenditures, while total fund balance represents 38.6 percent of that same amount.

The fund balance of the County's General Fund increased \$317,327 during 2005.

At the end of 2005, total fund balances for the County's other major funds which include Public Assistance, Mental Retardation, and Infrastructure were \$680,248, \$5,554,965, and \$6,254,472, respectively. The County's other major funds balances have increased/decreased by (\$243,747), \$1,164,046, and \$700,000, respectively.

Enterprise Funds - The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Enterprise Funds at December 31, 2005, were \$5,945,675. Total net assets decreased by \$704,449.

Budgetary Highlights

The County's budgeting process is prescribed by the Ohio Revised Code. Essentially, the budget is the appropriations, which are restricted by the amounts of anticipated revenues certified by the Budget Commission in accordance with Ohio Revised Code. Therefore, the County's plans or desires cannot be totally reflected in the original budget. If budgeted revenues are adjusted due to actual activity then the appropriations can be adjusted, accordingly. All elected officials worked closely with the County Commissioners to reduce, maintain, or hold down increases in departmental expenditures.

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During 2005, the County amended its general fund appropriations, and the budgetary statement reflects the original and final appropriation amounts. There were significant changes between the original and final budgeted appropriations and the final budgeted appropriations and the actual expenditures. The most significant changes between the General Fund original budget and the final budget and the final budget and actual expenditures resulted from higher than expected collections of the permissive sales tax which was ultimately increased the appropriations.

Capital Assets and Debt Administration

Capital Assets - The County's capital assets for governmental and business-type activities as of December 31, 2005, were \$95,434,217 (net of accumulated depreciation). This includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure. For governmental activities, significant capital asset additions during 2005 included the restoration and repair of the 1828 "S" Blaine Hill Bridge using local, state, and federal funds of which \$2,600,000 was contributed capital. In addition, the Bel-Shaeffer/Campbell Covered Bridge, located on the Campus of Ohio University Eastern was restored.

For business-type activities, major capital asset additions during 2005 included construction in progress on the Sanitary Sewer District 2 force main project, the Water Works 3 water line extension project, and Water Works 1. Note 9 (Capital Assets) provides capital asset activity during 2005.

Long Term Debt - As of December 31, 2005, the County had total general obligation bonded debt outstanding principle of \$7,020,000. This debt is expected to be repaid through governmental activities as well as user charges in business-type activities. The County's long term general obligation bonded debt decreased by \$815,000 during 2005. Other outstanding long-term debt included revenue bonds of \$6,828,000, O.W.D.A. loans of \$31,835, long-term notes payable of \$13,280,000 and a rural industrial park loan of \$314,451.

The County received an A-3 bond rating from Moody's Investors Group. With this rating Moody's has deemed the County's financial management secure. The County will receive the best rate on interest, insurance, and bond issuance costs.

In addition to the bonded debt, the County's long-term obligations include compensated absences and capital lease liabilities. Additional information on the County's long-term debt can be found in Note 16 of this report. See Note 17 for additional information regarding notes payable.

Economic Factors

Toward the end of 2005 the Federal Reserve reported that the economy in Ohio, in general, improved. Eastern Ohio, which includes Belmont County, did not share in the national economic upswing. Today, the County primarily relies on the retail hotel and food service sectors for job opportunities with businesses located at the Ohio Valley Mall, the Ohio Valley Plaza and other small local businesses. Retailing continues to hold its own in Belmont County. The Ohio Department of Development (ODOD) website listed 4,871 persons employed in retail and 2,645 in the hotel and food service areas. On the plus side, retail sales countywide continued to rise and total state sales tax collected in 2005 exceeded \$800 million.

In the past, the mining and steel industry provided the higher paying jobs for local residents. In the early 1980's, according the United Mine Workers, District 6 office, the mining industry provided over 10,000 jobs in Belmont County. The Ohio Department of Development website in 2004, listed the number of mining jobs as 1,124. In 1980 the population of Belmont County was 82,511; the estimated population for 2005 was 70,226.

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Manufacturing in the region was reported slightly below projections. Steel demand has softened and prices have as well. Locally, the repeal of the 2000 law known as The Byrd Bill Amendment is a concern to the Wheeling-Pittsburgh Steel Corporation. The law redirects tariff's on foreign goods from the U.S. treasury to manufacturers that file illegal dumping complaints. "Dumping" is the term for foreign imports sold in the U.S. market at below American production costs. The Byrd Bill will sunset at the end of 2007.

Wheeling-Pittsburgh Steel continues to make investments to secure the future of the company. This company has plants in Martins Ferry and Yorkville which employ over 600 employees. The new Wheeling-Pittsburgh electric arc furnace (EAF) is at about 75% capacity. The investment in the EAF technology reduces the amount of coke needed to produce steel by approximately 50 percent.

Wheeling-Pittsburgh Steel has partnered with SNA Carbon, LLC, a wholly owned subsidiary of Severstal North America, Inc. of Dearborn, Michigan to form and fund a new joint venture, Mountain State Carbon, LLC, that now owns the Wheeling-Pittsburgh's coke plant in Follansbee, WV. The culmination of this joint venture is a significant milestone in the quest to secure a reliable and competitive domestic supply of metallurgical coke for their steelmaking operations. Wheeling-Pittsburgh and SNA Carbon will purchase all coke produced by Mountain State Carbon at cost. Severstal will have contributed over \$120 million for a 50% share of the coke plant. The contributions will be used to rehabilitate the plant's four coke batteries.

Also of concern to the County are the sale of Ormet Corporation's aluminum rolling mill division and the furlough of about 500 hourly workers. The plant is located at Belmont County's southern border in Monroe County. Many of the employees reside in Belmont County, and numerous business suppliers to the plant are located in Belmont County.

As the job force changes new technologies and new job openings need new skill sets. The County has an opportunity to partner with Ohio University, Ohio State University and Belmont Technical College in pursuing education and training upgrades for a workforce that is not skilled in many information technology areas. As these educational partnership programs continue to evolve, the skill of the local workforce will continue to improve for better paying positions.

Fox Commerce Park continues to attract new tenants. Presently, five firms account for real property investment of more the \$6 million and a workforce of 128 employees. Present businesses include Mack's, Inc. a trucking firm, Tim's Custom Installation, Inc., custom counter tops & cabinetry, FedEx Freight East, Inc. a freight delivery company, Avalon Innovation Inc. which specializes in high-tech, multi-media, web site design, web hosting, IT information and CAD systems, and Care Properties, a company that provides training and care for the mentally challenged. Four additional firms are creating site plans, investigating operation needs, customizing infrastructure services or negotiating financing.

Slightly more that 30% of the available acreage at Fox Commerce Park is sold, optioned, or sale pending. About 28 of the 103 buildable acres are encumbered.

The County continues to expand the water and sewer infrastructure to underserved areas of the County. The intent is to have utilities in place for the future development of prime areas. The completion of the sewer lines at the Interstate 70 Exit 208 area will open up this area for new business ventures.

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 Joseph A. Pappano, Belmont County Auditor, 101 west Main Street, St. Clairsville, Ohio 43950.

Belmont County, Ohio
Statement of Net Assets
Primary Government and Discretely Presented Component Unit
December 31, 2005

	Primary Government			Belco Works, Inc.
	Governmental Activities	Business-Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$27,973,038	\$6,160,577	\$34,133,615	\$703,710
Cash and Cash Equivalents in Segregated Accounts	24,367	19,048	43,415	0
Accounts Receivable	18,223	462,574	480,797	171,885
Accrued Interest Receivable	124,675	0	124,675	0
Intergovernmental Receivable	8,469,786	458,440	8,928,226	0
Permissive Sales Taxes Receivable	1,886,355	0	1,886,355	0
Cash and Cash Equivalents with Fiscal and Escrow Agent	1,555,027	0	1,555,027	0
Investments in Segregated Accounts	20,576	0	20,576	0
Materials and Supplies Inventory	416,608	197,612	614,220	17,865
Prepaid Items	136,442	0	136,442	0
Other Assets	0	0	0	4,876
Internal Balances	(311,707)	311,707	0	0
Property and Other Local Taxes Receivable	9,770,614	0	9,770,614	0
Notes Receivable	0	0	0	120,000
Assets Held for Resale	1,309,566	0	1,309,566	0
Deferred Charges	29,223	94,752	123,975	0
Nondepreciable Capital Assets	13,800,598	10,800,468	24,601,066	0
Depreciable Capital Assets, Net	46,843,024	23,990,127	70,833,151	132,218
Total Assets	112,066,415	42,495,305	154,561,720	1,150,554
Liabilities				
Accounts Payable	1,134,473	297,726	1,432,199	411,375
Accrued Wages and Benefits Payable	356,285	82,045	438,330	67,708
Matured Severance Payable	16,026	0	16,026	0
Compensated Absences Payable	0	0	0	62,351
Intergovernmental Payable	1,283,820	163,473	1,447,293	0
Contracts Payable	0	91,293	91,293	0
Accrued Interest Payable	87,448	229,094	316,542	0
Bond Anticipation Notes Payable	1,380,000	130,000	1,510,000	0
Other Taxes	0	0	0	1,122
Deferred Revenue	8,686,594	0	8,686,594	0
Refundable Deposits	0	77,493	77,493	0
Retainage Payable	0	23,693	23,693	0
Long-Term Liabilities:				
Due Within One Year	1,525,370	684,514	2,209,884	0
Due in More Than One Year	8,043,382	20,240,518	28,283,900	0
Total Liabilities	22,513,398	22,019,849	44,533,247	542,556
Net Assets				
Invested in Capital Assets, Net of Related Debt	52,224,190	14,180,359	66,404,549	132,218
Restricted for:				
Debt Service	22,236	349,422	371,658	0
Capital Projects	5,137,973	0	5,137,973	0
Other Purposes:				
Public Assistance	1,248,948	0	1,248,948	0
Mental Retardation	6,607,143	0	6,607,143	0
Law Enforcement	393,060	0	393,060	0
Emergency 911	347,927	0	347,927	0
Motor Vehicle and Gasoline Tax	2,775,446	0	2,775,446	0
In-Home Care Levy	556,106	0	556,106	0
Children Services	446,024	0	446,024	0
County Courts	815,988	0	815,988	0
Commissioners CDBG	2,648,564	0	2,648,564	0
Miscellaneous Purposes	3,687,058	0	3,687,058	0
Unrestricted	12,642,354	5,945,675	18,588,029	475,780
Total Net Assets	\$89,553,017	\$20,475,456	\$110,028,473	\$607,998

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Activities
Primary Government and Discretely Presented Component Unit
For the Year Ended December 31, 2005

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
<u>Governmental Activities</u>				
General Government				
Legislative and Executive	\$8,506,362	\$2,530,333	\$468,157	\$0
Judicial	3,077,922	1,271,747	117,318	0
Public Safety	8,799,940	636,944	935,121	0
Public Works	6,765,150	544,256	8,949,028	2,600,000
Health	11,548,635	334,451	5,651,241	0
Human Services	17,281,713	1,077,917	14,640,661	0
Economic Development and Assistance	276,427	0	0	0
Intergovernmental	2,045,558	0	322,937	0
Interest and Fiscal Charges	317,042	0	0	0
Total Governmental Activities	58,618,749	6,395,648	31,084,463	2,600,000
<u>Business-Type Activities</u>				
Park Health Center	6,338,579	5,834,392	0	0
Sanitary Sewer District 2	1,016,134	923,688	0	2,650
Water Works 3	2,904,472	2,754,366	0	29,129
Water Works 1	291,426	220,768	0	410
Sanitary Sewer District 1	515,267	230,862	0	100
Sanitary Sewer District 3A	53,917	54,777	0	0
Sanitary Sewer District 3B	42,167	20,831	0	0
Sanitary Sewer District 3C	1,427	1,713	0	0
Water Works 2	1,005,364	887,788	0	11,722
Total Business-Type Activities	12,168,753	10,929,185	0	44,011
Total Primary Government	\$70,787,502	\$17,324,833	\$31,084,463	\$2,644,011
<u>Component Unit</u>				
Belco Works Inc.	\$5,205,477	\$4,430,249	\$0	\$0

General Revenues:

Property Taxes Levied for General Purposes

Property Taxes Levied for:

 Mental Retardation

 Lodging Excise Tax

 Mental Health

 In-Home Care Levy

 Children Services

Permissive Sales Tax Levied for General Purposes

Permissive Sales Tax Levied for Road and Bridges

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

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	Belco Works, Inc.
(\$5,507,872)	\$0	(\$5,507,872)	\$0
(1,688,857)	0	(1,688,857)	0
(7,227,875)	0	(7,227,875)	0
5,328,134	0	5,328,134	0
(5,562,943)	0	(5,562,943)	0
(1,563,135)	0	(1,563,135)	0
(276,427)	0	(276,427)	0
(1,722,621)	0	(1,722,621)	0
(317,042)	0	(317,042)	0
<u>(18,538,638)</u>	<u>0</u>	<u>(18,538,638)</u>	<u>0</u>
0	(504,187)	(504,187)	0
0	(89,796)	(89,796)	0
0	(120,977)	(120,977)	0
0	(70,248)	(70,248)	0
0	(284,305)	(284,305)	0
0	860	860	0
0	(21,336)	(21,336)	0
0	286	286	0
0	(105,854)	(105,854)	0
<u>0</u>	<u>(1,195,557)</u>	<u>(1,195,557)</u>	<u>0</u>
<u>(18,538,638)</u>	<u>(1,195,557)</u>	<u>(19,734,195)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>(775,228)</u>
1,979,606	0	1,979,606	0
4,506,450	0	4,506,450	0
295,310	0	295,310	0
819,519	0	819,519	0
1,289,175	0	1,289,175	0
393,852	0	393,852	0
11,817,903	0	11,817,903	0
250,000	0	250,000	0
529,761	0	529,761	47,197
1,338,113	122,722	1,460,835	5,779
1,082,996	25,536	1,108,532	608,891
<u>24,302,685</u>	<u>148,258</u>	<u>24,450,943</u>	<u>661,867</u>
<u>(342,850)</u>	<u>342,850</u>	<u>0</u>	<u>0</u>
23,959,835	491,108	24,450,943	661,867
5,421,197	(704,449)	4,716,748	(113,361)
<u>84,131,820</u>	<u>21,179,905</u>	<u>105,311,725</u>	<u>721,359</u>
<u>\$89,553,017</u>	<u>\$20,475,456</u>	<u>\$110,028,473</u>	<u>\$607,998</u>

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

	General	Public Assistance	Mental Retardation	Infrastructure	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$3,336,229	\$584,019	\$5,484,810	\$6,254,472	\$12,189,144	\$27,848,674
Cash and Cash Equivalents in Segregated Accounts	24,367	0	0	0	0	24,367
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	1,555,027	1,555,027
Investments in Segregated Accounts	0	0	0	0	20,576	20,576
Accounts Receivable	14,499	0	0	0	3,724	18,223
Accrued Interest Receivable	124,675	0	0	0	0	124,675
Intergovernmental Receivable	556,192	1,761,753	1,150,793	0	5,001,048	8,469,786
Permissive Sales Taxes Receivable	1,870,132	0	0	0	16,223	1,886,355
Prepaid Items	136,442	0	0	0	0	136,442
Materials and Supplies Inventory	29,597	28,930	45,073	0	313,008	416,608
Interfund Receivable	398,221	55,687	2,720	0	528,874	985,502
Property and Other Local Taxes Receivable	2,146,003	0	4,922,624	0	2,701,987	9,770,614
Restricted Assets:						
Equity in Pooled Cash and Cash Equivalents	124,364	0	0	0	0	124,364
Assets Held for Resale	1,309,566	0	0	0	0	1,309,566
Total Assets	\$10,070,287	\$2,430,389	\$11,606,020	\$6,254,472	\$22,329,611	\$52,690,779
Liabilities						
Accounts Payable	\$249,427	\$188,602	\$201,786	\$0	\$494,658	\$1,134,473
Accrued Wages and Benefits Payable	138,249	84,611	66,874	0	66,551	356,285
Matured Severance Payable	16,026	0	0	0	0	16,026
Intergovernmental Payable	270,503	365,207	96,143	0	551,967	1,283,820
Interfund Payable	13,340	4,255	0	0	1,279,614	1,297,209
Accrued Interest Payable	0	0	0	0	21,210	21,210
Deferred Revenue	2,580,056	1,107,466	5,696,252	0	6,746,417	16,130,191
Bond Anticipation Notes Payable	0	0	0	0	1,380,000	1,380,000
Total Liabilities	3,267,601	1,750,141	6,061,055	0	10,540,417	21,619,214
Fund Balances:						
Reserved for Encumbrances	897,771	0	359,289	0	1,255,042	2,512,102
Reserved for Assets Held for Resale	1,309,566	0	0	0	0	1,309,566
Reserved for Unclaimed Monies	124,364	0	0	0	0	124,364
Unreserved:						
Designated for Budget Stabilization	966,045	0	0	0	0	966,045
Undesignated, Reported in:						
General Fund	3,504,940	0	0	0	0	3,504,940
Special Revenue Funds	0	680,248	5,185,676	0	7,550,300	13,416,224
Debt Service Funds	0	0	0	0	90,188	90,188
Capital Projects Funds	0	0	0	6,254,472	2,893,664	9,148,136
Total Fund Balances	6,802,686	680,248	5,544,965	6,254,472	11,789,194	31,071,565
Total Liabilities and Fund Balances	\$10,070,287	\$2,430,389	\$11,606,020	\$6,254,472	\$22,329,611	\$52,690,779

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances \$31,071,565

Amounts reported for governmental activities on 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. 60,643,622

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

Taxes	1,057,584
Intergovernmental	6,328,065
Charges for Services	57,948

Total 7,443,597

Unamortized issuance costs represent deferred charges which do not provide current financial resources and, therefore, are not reported in the funds. 29,223

Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

General Obligation Bonds	3,105,000
Net Bond Premiums/Discounts	1,714
Refunding Gains on General Obligation Bonds	(11,667)
Compensated Absences	2,498,383
Accrued Interest Payable	66,238
Long-Term Notes Payable	3,480,000
State Rural Industrial Park Loan	314,451
Capital Leases	180,871

Total (9,634,990)

Net Assets of Governmental Activities \$89,553,017

See accompanying notes to the basic financial statements

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

	General	Public Assistance	Mental Retardation	Infrastructure	Other Governmental Funds	Total Governmental Funds
Revenues						
Property and Other Local Taxes	\$1,958,671	\$0	\$4,501,768	\$0	\$2,795,334	\$9,255,773
Permissive Sales Taxes	11,817,903	0	0	0	250,000	12,067,903
Charges for Services	2,028,703	55,687	334,451	0	2,484,826	4,903,667
Licenses and Permits	5,931	0	0	0	370,479	376,410
Fines and Forfeitures	365,212	0	0	0	527,948	893,160
Intergovernmental	1,673,781	10,734,477	5,152,088	0	12,142,374	29,702,720
Interest	1,215,332	0	0	0	133,569	1,348,901
Rent	7,075	0	0	0	216,035	223,110
Other	249,146	712,925	2,505	0	118,420	1,082,996
Total Revenues	19,321,754	11,503,089	9,990,812	0	19,038,985	59,854,640
Expenditures						
Current:						
General Government:						
Legislative and Executive	6,330,315	0	0	0	1,323,288	7,653,603
Judicial	2,365,125	0	0	0	648,714	3,013,839
Public Safety	6,531,017	0	0	0	1,738,226	8,269,243
Public Works	423,384	0	0	0	5,222,718	5,646,102
Health	72,955	0	8,823,041	0	2,284,545	11,180,541
Human Services	316,874	12,085,459	0	0	4,659,440	17,061,773
Economic Development and Assistance	0	0	0	0	276,427	276,427
Other	9,131	0	0	0	0	9,131
Capital Outlay	0	0	18,369	0	2,091,637	2,110,006
Intergovernmental	1,012,234	0	0	0	1,033,324	2,045,558
Debt Service:						
Principal Retirement	532,775	17,415	2,624	0	505,549	1,058,363
Interest and Fiscal Charges	17,818	2,729	1,101	0	238,848	260,496
Total Expenditures	17,611,628	12,105,603	8,845,135	0	20,022,716	58,585,082
Excess of Revenues Over (Under) Expenditures	1,710,126	(602,514)	1,145,677	0	(983,731)	1,269,558
Other Financing Sources (Uses)						
Bond Anticipation Notes Issued	0	0	0	0	3,480,000	3,480,000
Sale of Assets	12,853	0	0	0	0	12,853
Inception of Capital Lease	0	0	18,369	0	0	18,369
Transfers In	345,577	358,767	0	700,000	3,438,685	4,843,029
Transfers Out	(1,751,229)	0	0	0	(3,434,650)	(5,185,879)
Total Other Financing Sources (Uses)	(1,392,799)	358,767	18,369	700,000	3,484,035	3,168,372
Net Change in Fund Balances	317,327	(243,747)	1,164,046	700,000	2,500,304	4,437,930
Fund Balances at Beginning of Year	6,485,359	923,995	4,380,919	5,554,472	9,288,890	26,633,635
Fund Balances at End of Year	\$6,802,686	\$680,248	\$5,544,965	\$6,254,472	\$11,789,194	\$31,071,565

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Total Governmental Funds \$4,437,930

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

Governmental funds report capital outlays as expenditures. However, on 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 outlays exceeded depreciation in the current year:

Capital Asset Additions	2,499,772	
Capital Asset Contributions	2,600,000	
Depreciation	<u>(3,799,175)</u>	
Total		1,300,597

Capital assets removed from the capital asset account on the statement of net assets results in a loss on disposal of capital assets on the statement of activities (27,730)

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

Property and Other Local Taxes	28,139	
Charges for Services	(699)	
Intergovernmental	<u>1,900,716</u>	
Total		1,928,156

Repayment of general obligation bonds, notes, and capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

General Obligation Bonds	380,000	
Long-Term Note	540,000	
Rural Industrial Park Loan	85,549	
Capital Leases	<u>52,814</u>	
Total		1,058,363

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding obligations on the statement of net assets. (48,148)

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. (6,828)

Bond premiums are reported as other financing sources in the governmental funds, but are allocated as an expense over the life of the bonds on the statement of activities. 1,171

Refunding gains are reported as an expense in the governmental funds, but are allocated as a reduction of an expense over the life of the bonds. (2,741)

Bond Anticipation Notes issued are other financing sources in governmental funds, but the issuance increases long-term liabilities on the statement of net assets. (3,480,000)

Inception of capital leases are reported as other financing sources in the governmental funds, but the inception increases long term liabilities on the statement of activities (18,369)

Some expenses reported on the statement of activities do not require the use of current financial resources, therefore, are not reported as expenditures in governmental funds.

Compensated Absences Payable	<u>278,796</u>	
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\$5,421,197

Change in Net Assets of Governmental Activities

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Property and Other Local Taxes	\$1,850,000	\$1,950,691	\$1,953,422	\$2,731
Permissive Sales Taxes	8,923,107	11,586,896	12,148,661	561,765
Charges for Services	1,519,796	1,959,343	2,069,177	109,834
Licenses and Permits	4,356	6,000	5,931	(69)
Fines and Forfeitures	265,333	430,000	361,246	(68,754)
Intergovernmental	1,240,966	1,654,905	1,689,555	34,650
Interest	858,249	1,168,500	1,168,491	(9)
Rent	5,197	1,000	7,075	6,075
Other	182,996	199,789	249,146	49,357
Total Revenues	14,850,000	18,957,124	19,652,704	695,580
<u>Expenditures:</u>				
Current:				
General Government:				
Legislative and Executive	6,868,127	8,099,984	8,036,807	63,177
Judicial	2,389,790	2,523,494	2,473,085	50,409
Public Safety	4,216,729	6,749,704	6,689,453	60,251
Public Works	234,689	495,995	492,638	3,357
Health	141,237	61,296	60,483	813
Human Services	257,611	350,679	344,290	6,389
Other	0	46,344	9,131	37,213
Intergovernmental	656,357	1,012,340	1,012,234	106
Debt Service:				
Principal Retirement	0	500,000	500,000	0
Interest and Fiscal Charges	0	6,781	6,781	0
Total Expenditures	14,764,540	19,846,617	19,624,902	221,715
Excess of Revenues Over (Under) Expenditure:	85,460	(889,493)	27,802	917,295
<u>Other Financing Sources (Uses):</u>				
Sale of Assets	0	137,397	134,948	(2,449)
Advances In	0	16,000	39,000	23,000
Advances Out	0	(20,187)	(20,187)	0
Transfers Out	(380,000)	(1,720,907)	(1,718,387)	2,520
Total Other Financing Sources (Uses)	(380,000)	(1,587,697)	(1,564,626)	23,071
Net Change in Fund Balance	(294,540)	(2,477,190)	(1,536,824)	940,366
Fund Balance at Beginning of Year	688,939	688,939	688,939	0
Prior Year Encumbrances Appropriated	2,153,775	2,153,775	2,153,775	0
Fund Balance at End of Year	\$2,548,174	\$365,524	\$1,305,890	\$940,366

See accompanying notes to the basic financial statement:

Belmont County, Ohio
Statement of Revenues, Expenditures
and Changes in Fund Balance
Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2005

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues:</u>				
Intergovernmental	\$10,896,537	\$12,092,648	\$11,236,277	(\$856,371)
Other	691,369	1,127,428	712,925	(414,503)
Total Revenues	11,587,906	13,220,076	11,949,202	(1,270,874)
<u>Expenditures:</u>				
Current:				
Human Services	11,894,206	13,826,590	12,030,250	1,796,340
Excess of Revenues Under Expenditures	(306,300)	(606,514)	(81,048)	525,466
<u>Other Financing Sources (Uses):</u>				
Advances - Out		(60,000)	0	60,000
Transfers In	0	360,214	358,767	(1,447)
Total Other Financing Sources (Uses)	0	300,214	358,767	58,553
Net Change in Fund Balance	(306,300)	(306,300)	277,719	584,019
Fund Balance at Beginning of Year	306,300	306,300	306,300	0
Prior Year Encumbrances Appropriated	0	0	0	0
Fund Balance at End of Year	<u>\$0</u>	<u>\$0</u>	<u>\$584,019</u>	<u>\$584,019</u>

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Property and Other Local Taxes	\$4,600,000	\$4,282,004	\$4,485,763	\$203,759
Charges for Services	144,000	50,000	331,731	281,731
Intergovernmental	2,256,000	3,804,625	5,502,390	1,697,765
Other	0	0	2,505	2,505
Total Revenues	7,000,000	8,136,629	10,322,389	2,185,760
<u>Expenditures:</u>				
<u>Current:</u>				
Health	10,614,091	11,073,820	9,436,636	1,637,184
Excess of Revenues Over (Under) Expenditures:	(3,614,091)	(2,937,191)	885,753	3,822,944
<u>Other Financing Use:</u>				
Transfers Out	0	(1,000,000)	0	1,000,000
Net Change in Fund Balance	(3,614,091)	(3,937,191)	885,753	4,822,944
Fund Balance at Beginning of Year	3,614,091	3,614,091	3,614,091	0
Prior Year Encumbrances Appropriated	323,100	323,100	323,100	0
Fund Balance at End of Year	\$323,100	\$0	\$4,822,944	\$4,822,944

See accompanying notes to the basic financial statements:

Belmont County, Ohio
Statement of Fund Net Assets
Enterprise Funds
December 31, 2005

	Park Health Center	Sanitary Sewer District 2	Water Works 3	Nonmajor Enterprise	Total Enterprise
Assets					
Current Assets:					
Equity in Pooled Cash and Cash Equivalents	\$339,853	\$613,930	\$2,736,767	\$1,989,467	\$5,680,017
Cash and Cash Equivalents in Segregated Accounts	0	0	200	18,848	19,048
Accounts Receivable	277,569	16,142	91,909	76,954	462,574
Intergovernmental Receivable	458,440	0	0	0	458,440
Materials and Supplies Inventory	25,212	2,524	112,441	57,435	197,612
Interfund Receivable	0	45,138	197,249	366,777	609,164
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	0	0	50,119	0	50,119
Total Current Assets	1,101,074	677,734	3,188,685	2,509,481	7,476,974
Non-Current Assets:					
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	0	9,837	388,422	32,182	430,441
Deferred Charges	77,483	1,975	15,294	0	94,752
Nondepreciable Capital Assets	38,880	4,207,951	6,529,137	24,500	10,800,468
Depreciable Capital Assets, Net	3,251,035	4,961,084	15,183,597	594,411	23,990,127
Total Non-Current Assets	3,367,398	9,180,847	22,116,450	651,093	35,315,788
Total Assets	4,468,472	9,858,581	25,305,135	3,160,574	42,792,762
Liabilities					
Current Liabilities:					
Accounts Payable	96,381	12,309	47,040	141,996	297,726
Contracts Payable	0	91,293	0	0	91,293
Accrued Wages and Benefits Payable	62,034	2,582	11,179	6,250	82,045
Compensated Absences Payable	92,752	8,210	32,017	10,797	143,776
Retainage Payable	0	23,693	0	0	23,693
Interfund Payable	0	0	42,000	255,457	297,457
Intergovernmental Payable	81,746	13,459	15,827	52,441	163,473
Accrued Interest Payable	11,989	90,011	76,975	0	178,975
Bond Anticipation Notes Payable	0	0	130,000	0	130,000
Current Portion OWDA Loan Payable	0	0	3,238	0	3,238
Current Portion Mortgage Revenue Bonds Payable	0	0	96,000	0	96,000
Current Portion General Obligation Bonds Payable	205,000	84,798	150,000	0	439,798
Current Portion Capital Leases Payable	1,702	0	0	0	1,702
Accrued Interest Payable From Restricted Assets	0	0	50,119	0	50,119
Total Current Liabilities	551,604	326,355	654,395	466,941	1,999,295
Long-Term Liabilities (Net of Current Portion):					
Refundable Deposits	0	9,837	35,474	32,182	77,493
Compensated Absences Payable	130,419	11,544	45,019	15,182	202,164
Capital Leases Payable	5,417	0	0	0	5,417
OWDA Loans Payable	0	0	28,597	0	28,597
Bond Anticipation Notes Payable	0	5,800,000	4,000,000	0	9,800,000
Mortgage Revenue Bonds Payable	0	0	6,732,000	0	6,732,000
General Obligation Bonds Payable	2,955,000	0	517,340	0	3,472,340
Total Long-Term Liabilities	3,090,836	5,821,381	11,358,430	47,364	20,318,011
Total Liabilities	3,642,440	6,147,736	12,012,825	514,305	22,317,306
Net Assets					
Invested in Capital Assets, Net of Related Debt	200,279	3,286,810	10,074,359	618,911	14,180,359
Restricted for Debt Service	0	0	349,422	0	349,422
Unrestricted	625,753	424,035	2,868,529	2,027,358	5,945,675
Total Net Assets	\$826,032	\$3,710,845	\$13,292,310	\$2,646,269	\$20,475,456

See accompanying notes to the basic financial statements

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

	Park Health Center	Sanitary Sewer District 2	Water Works 3	Nonmajor Enterprise	Total Enterprise
<u>Operating Revenues:</u>					
Charges for Services	\$5,834,392	\$923,688	\$2,754,366	\$1,416,739	\$10,929,185
Other	0	3,901	1,764	10,989	16,654
Total Operating Revenues	5,834,392	927,589	2,756,130	1,427,728	10,945,839
<u>Operating Expenses:</u>					
Personal Services	3,987,329	233,956	781,107	355,988	5,358,380
Contractual Services	1,232,749	359,624	752,081	1,411,661	3,756,115
Materials and Supplies	439,868	39,728	272,430	84,896	836,922
Depreciation	153,545	196,002	577,091	42,250	968,888
Other	49,206	1,266	10,709	14,773	75,954
Total Operating Expenses	5,862,697	830,576	2,393,418	1,909,568	10,996,259
Operating Income (Loss)	(28,305)	97,013	362,712	(481,840)	(50,420)
<u>Non-Operating Revenues (Expenses):</u>					
Interest	0	11,515	62,920	48,287	122,722
Interest and Fiscal Charges	(475,882)	(185,558)	(511,054)	0	(1,172,494)
Other Non-Operating Revenues	8,882	0	0	0	8,882
Total Non-Operating Revenues (Expenses)	(467,000)	(174,043)	(448,134)	48,287	(1,040,890)
Income (Loss) Before Contributions and Transfers	(495,305)	(77,030)	(85,422)	(433,553)	(1,091,310)
Capital Contributions	0	2,650	29,129	12,232	44,011
Transfers In	0	12,711	170,060	169,652	352,423
Transfers Out	0	0	0	(9,573)	(9,573)
Change in Net Assets	(495,305)	(61,669)	113,767	(261,242)	(704,449)
Net Assets Beginning of Year	1,321,337	3,772,514	13,178,543	2,907,511	21,179,905
Net Assets End of Year	\$826,032	\$3,710,845	\$13,292,310	\$2,646,269	\$20,475,456

See accompanying notes to the basic financial statements

Belmont County, Ohio
Statement of Cash Flows
Enterprise Funds
For the Year Ended December 31, 2005

	Business-Type Activity				Total Enterprise
	Park Health Center	Sanitary Sewer District 2	Water Works 3	Nonmajor Enterprise	
Increase (Decrease) in Cash and Cash Equivalents					
<u>Cash Flows from Operating Activities:</u>					
Cash Received from Customers	\$5,981,533	\$952,213	\$2,776,418	\$1,399,619	\$11,109,783
Cash Payments for Employee Services and Benefits	(3,959,364)	(233,612)	(778,019)	(355,073)	(5,326,068)
Cash Payments for Goods and Services	(423,151)	(40,441)	(299,600)	(115,137)	(878,329)
Cash Payments for Contractual Services	(1,282,930)	(405,592)	(754,643)	(1,287,999)	(3,731,164)
Utility Deposits Received	0	1,810	7,017	7,027	15,854
Utility Deposits Paid	0	(1,136)	(5,580)	(5,611)	(12,327)
Other Operating Revenues	0	3,901	1,764	10,989	16,654
Other Operating Expenses	(49,206)	(1,266)	(10,709)	(14,773)	(75,954)
Other Non-Operating Revenues	8,882	0	0	0	8,882
Net Cash Provided by (Used for) Operating Activities	275,764	275,877	936,648	(360,958)	1,127,331
<u>Cash Flows from Noncapital Financing Activities:</u>					
Transfers	0	0	30,084	2,875	32,959
Short Term Interfund Loans	0	(242,000)	242,000	0	0
Net Cash Provided by (Used for) Noncapital Activities	0	(242,000)	272,084	2,875	32,959
<u>Cash Flows from Capital and Related Financing Activities:</u>					
Payments for Capital Acquisitions	(123,413)	(242,897)	(1,639,468)	(16,000)	(2,021,778)
Tap-In Fees	0	2,650	29,129	12,232	44,011
Bond Anticipation Notes Issued	0	5,800,000	4,130,000	0	9,930,000
Principal Paid on Notes	0	(6,200,000)	(4,155,000)	0	(10,355,000)
Interest Paid on Notes	0	(134,714)	(78,824)	0	(213,538)
Principal Paid on Mortgage Revenue Bonds	0	0	(91,000)	0	(91,000)
Interest Paid on Mortgage Revenue Bonds	0	0	(359,801)	0	(359,801)
Principal Paid on General Obligation Bonds	(200,000)	(75,795)	(150,000)	(9,205)	(435,000)
Interest Paid on General Obligation Bonds	(151,865)	(7,038)	(19,462)	(368)	(178,733)
Principal Paid on OWDA Loan	0	0	(2,991)	0	(2,991)
Interest Paid on OWDA Loan	0	0	(2,438)	0	(2,438)
Principal Paid on Capital Leases	(1,575)	0	0	0	(1,575)
Interest Paid on Capital Leases	(619)	0	0	0	(619)
Net Cash Used for Capital and Related Financing Activities	(477,472)	(857,794)	(2,339,855)	(13,341)	(3,688,462)
<u>Cash Flows from Investing Activities:</u>					
Interest	0	11,515	40,210	48,287	100,012
Net Cash Provided by Investing Activities	0	11,515	40,210	48,287	100,012
Net (Decrease) in Cash and Cash Equivalents	(201,708)	(812,402)	(1,090,913)	(323,137)	(2,428,160)
Cash and Cash Equivalents Beginning of Year	541,561	1,436,169	4,266,421	2,363,634	8,607,785
Cash and Cash Equivalents End of Year	\$339,853	\$623,767	\$3,175,508	\$2,040,497	\$6,179,625

(Continued)

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

	Business-Type Activity				Total Enterprise
	Park Health Center	Sanitary Sewer District 2	Water Works 3	Nonmajor Enterprise	
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>					
Operating Income (Loss)	(\$28,305)	\$97,013	\$362,712	(\$481,840)	(\$50,420)
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</u>					
Depreciation	153,545	196,002	577,091	42,250	968,888
Other Non-Operating Revenue	8,882	0	0	0	8,882
<u>Changes in Assets and Liabilities:</u>					
(Increase) Decrease in Accounts Receivable	66,412	28,525	24,046	(17,120)	101,863
Decrease in Intergovernmental Receivable	80,729	0	0	0	80,729
Increase in Materials and Supplies Inventory	(3,035)	(450)	(12,569)	(7,165)	(23,219)
Increase in Interfund Receivable	0	0	(1,994)	0	(1,994)
Increase (Decrease) in Accrued Wages and Benefits Payable	9,755	(186)	549	731	10,849
Increase (Decrease) in Accounts Payable	(28,662)	(54,224)	(17,163)	95,703	(4,346)
Increase (Decrease) in Compensated Absences Payable	20,695	103	2,602	(321)	23,079
Increase (Decrease) in Intergovernmental Payable	3,500	8,420	(63)	3,584	15,441
Decrease in Matured Severance Payable	(7,752)	0	0	0	(7,752)
Increase in Interfund Payable	0	0	0	1,804	1,804
Increase in Refundable Deposits Payable	0	674	1,437	1,416	3,527
Total Adjustments	304,069	178,864	573,936	120,882	1,177,751
Net Cash Provided by (Used for) Operating Activities	<u>\$275,764</u>	<u>\$275,877</u>	<u>\$936,648</u>	<u>(\$360,958)</u>	<u>\$1,127,331</u>

Noncash Activities:

During 2005, there were transfers between the Federal Emergency Management Assistance fund and the enterprise funds in the amount of \$309,891.

See accompanying notes to the basic financial statements

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

Assets:

Equity in Pooled Cash and Cash Equivalents	\$8,411,103
Cash and Cash Equivalents in Segregated Accounts	427,831
Property Taxes Receivable	47,564,173
Accounts Receivable	2,373,623
Intergovernmental Receivable	<u>4,134,373</u>
Total Assets	<u><u>\$62,911,103</u></u>

Liabilities:

Due To Others	\$2,074,683
Intergovernmental Payable	52,689,130
Undistributed Assets	<u>8,147,290</u>
Total Liabilities	<u><u>\$62,911,103</u></u>

See accompanying notes to the basic financial statements

NOTE 1 – REPORTING ENTITY AND BASIS OF PRESENTATION

Belmont County, Ohio (The County), was created September 7, 1801, by Governor Arthur St. Clair. The ninth county formed in the Northwest Territory, the County is comprised of sixteen townships, six fire districts, two cities, and fourteen villages, with three of these villages overlapping into other counties. 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, three Common Pleas Court Judges, 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.

A. 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 Belmont County, this includes the Board of Mental Retardation and Developmental Disabilities, the Belmont 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 basic financial statements identifies the financial data of the County's component unit, Belco Works, Inc. It is discretely reported in a separate column to emphasize that it is legally separate from the County.

Belco Works, Inc. (Belco) is a legally separate, nongovernmental not-for-profit corporation, served by a self-appointing board of trustees. The workshop, under a contractual agreement with the Belmont County Board of Mental Retardation and Developmental Disabilities (MR/DD) provides sheltered employment for mentally retarded or handicapped adults in Belmont County. The Belmont County Board of MR/DD provides the workshop with staff salaries, transportation, and 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 Belco and Belco's sole purpose of providing assistance to the retarded and handicapped adults of Belmont County, it was determined that to exclude the workshop from the County's report would make the report incomplete. Belco Works, Inc. operates on a fiscal year ending December 31. The operating statement of Belco Works, Inc. is presented at the object level. Belco is required only to report operating information at the program level; however, since it operates under a single program, object level information is presented to provide more

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

comprehensive financial information. Separately issued financial statements can be obtained from Belco Works, Inc., St. Clairsville, Ohio.

The following potential component units have been excluded from the County's financial statements:

Belmont County Agricultural Society
Belmont County Educational Service Center
Belmont County Memorial Park Cemetery
Belmont County Sewer Authority
Belmont-Harrison Joint Vocational School
Belmont Technical College
Belmont County Law Library

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:

Belmont 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.

Belmont County District Board of Health 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 Belmont County.

Belmont-Harrison Juvenile District (District)

The Belmont-Harrison Juvenile District was organized in 1972 to provide services to the juvenile courts of Belmont and Harrison counties. The legislative authority for creation of the District can be found in Section 2151.34 of the Ohio Revised Code. The function of the District is to provide detention and rehabilitation for juvenile offenders. District offices are located at Sargus Juvenile Center in St. Clairsville, Ohio, which serves as the hub for all program components. A joint board, comprised of Belmont County Commissioners and Harrison County Commissioners, is responsible for payment of expenditures and the appointment of trustees upon recommendation and approval of the juvenile judge of that county where such person is a resident. The Board of Trustees oversees and sets rules and regulations for the operation of the District programs. They also appoint the Director of the District, who, in turn, appoints all employees and controls, manages, operates, and has general charge of the District's programs. The board of county commissioners of either county within the District may withdraw from the District upon the recommendation of the juvenile court of such county.

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

The continued existence of the District is dependent upon the County's continued participation; however, the County does not have an equity interest in the District. Since Belmont 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 19.

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 20.

Belmont, Harrison, and Monroe Counties Cluster
Bel-O-Mar Regional Council
Mental Health Recovery Board
Southeast Ohio Juvenile Rehabilitation District (SOJRD)
Area Office on Aging
Ohio Mid-Eastern Governments Association (OMEGA)
Jefferson-Belmont Joint Solid Waste Authority
South Eastern Narcotics Team (SENT)
Belmont County Family and Children First Council
East Ohio Correctional Facility
Buckeye Hills Resource Conservation and Development Council (RC&D)
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 21.

Belmont Metropolitan Housing Authority
Belmont Park District

The County is associated with the following organizations which are public entity pools. Additional information concerning the pools is presented in Note 22.

County Risk Sharing Authority (CORSA)
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

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 enterprise funds and business-type activities. The most significant of the County's accounting policies are described below.

A. Basis of Presentation

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

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

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

Mental Retardation Fund To account for revenue from tax levies, and federal, state and local monies used for providing services to the mentally retarded citizens of the County.

Infrastructure Fund To account for transfers from the general fund to be used for acquisition, construction, or improvement of capital assets.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows.

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 are the County's major enterprise funds:

Park Health Center Fund To account for revenues derived from resident fees for long-term care and therapy services provided and bond anticipation notes. The revenue is used for the operation of the Park Health Center facility.

Sanitary Sewer District 2 Fund To account for user charges from the sanitary sewer service east of St. Clairsville following United States Route 40 to Blaine. The district has its own rate structure and contracts with the City of Bellaire for sewage treatment. Revenue is used for operating expenses and to pay general obligation bonds and note debt.

Water Works 3 Fund To account for user charges from the distribution of treated water west of Bellaire and any area not included in Water Works District 2. The district has its own facilities. Revenue is used for operating expenses and to pay general obligation bonds, mortgage revenue bonds, note indebtedness, and an Ohio Water Development Authority loan.

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

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

C. Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include 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 fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal 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 6.) Revenue from grants, entitlements and donations is recognized in the 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 7), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees and rentals.

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

Property taxes for which there is an enforceable legal claim as of December 31, 2005, but which were levied to finance year 2006 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2005 upon which the final appropriations were passed.

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

F. Cash, Cash Equivalents, and Investments

Cash balances of the County's funds, except cash held by a trustee or fiscal agent or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2005, investments were limited to STAR Ohio, 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. The County has invested funds in the State Treasurer's Asset Reserve of Ohio (STAR Ohio) during year 2005. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2005. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

Under existing Ohio statutes, all investment earnings accrue to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2005 amounted to \$1,215,332 which includes \$1,135,056 assigned from other funds.

G. Restricted Assets

Certain resources set aside for the repayment of enterprise fund mortgage revenue bonds are classified as restricted assets on the Statement of Fund Net Assets – Enterprise Funds because their use is limited by applicable bond covenants. Restricted assets of the County also include cash held for customer deposits, mortgage revenue bonds payable and unclaimed monies.

H. Assets Held for Resale

As part of the economic development program, the County has acquired land at the Fox Commerce Industrial Park. This land is intended to be sold to businesses to promote economic development within the County. Transactions are conducted through the County's general fund.

I. Inventory

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

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2005, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

K. 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 fund.

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 back trending (i.e., estimating the 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 five thousand dollars, with the exception of infrastructure which is capitalized at \$10,000. 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 prior to the implementation of GASB Statement 34.

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	10-40 Years
Machinery and Equipment	5-25 Years
Infrastructure	15-50 Years
Vehicles	5-15 Years

L. 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.

M. Compensated Absences

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

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year end taking into consideration any limits specified in the County's termination policy. The County records a liability for sick leave for employees with fifteen or more years of service for all departments with the exception of the Park Health Center, the Sheriff's Office, the Engineers Office, 911 department and Jobs and Family Services department which record the sick leave liability for employees with ten or more years of service.

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. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

N. Accrued Liabilities and Long-term Obligations

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences 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.

O. Bond Premiums, Discounts, Gains/Losses on Refunding and Issuance Costs

Bond issuance costs and bond premium and discounts are deferred and amortized over the term of the bonds using the straight-line 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.

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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The Gain/Loss on refunding is allocated over the life of the old debt or the new debt whichever is shorter.

P. Fund Balance Reserves

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriations for expenditures. Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, assets held for resale, and claimants for unclaimed monies. Reservation for claimants is established because by law unclaimed monies are not available for appropriation until five years have elapsed.

Q. Fund Balance Designations

The County has fund balance designations on the balance sheet in the General fund that represents money set-aside by the County Commissioners for budget stabilization.

R. 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, miscellaneous are primarily for net assets associated with various state and federal grants. The government-wide statement of net assets reports \$24,686,473 of restricted net assets for governmental activities, the portion that has resulted from enabling legislation is \$3,776,908.

Net assets restricted for debt service in the business-type activities consist of bond premiums for the Water Enterprise Funds and amounts restricted for bond indenture covenants. Under Ohio law, bond premiums are restricted for the payment of future debt obligations.

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

S. 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 the Park Health Center, wastewater treatment, and the sale of water. 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.

T. 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.

U. Interfund Activity

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

Belmont County, Ohio
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For the Year Ended December 31, 2005

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.

V. *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.

X. *Estimates*

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

NOTE 3 – CHANGES IN ACCOUNTING PRINCIPLES/RESTATEMENT OF PRIOR YEAR NET ASSETS

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

GASB Statement No. 40 establishes new disclosure requirements for risks associated with deposits and investments.

GASB Statement No. 42 establishes accounting and financial reporting standards for impairment of capital assets and clarifies and establishes accounting requirements for insurance recoveries.

The implementation of GASB Statement No. 42 did not affect the presentation of the financial statements of the County.

Restatement of Prior Year Net Assets The capital assets balances and accumulated depreciation for governmental type activities have been restated to correct errors in the prior years' balances. The restatement had the following effect on net assets of the governmental activities.

	Governmental Activities
Net Assets, December 31, 2004	\$86,135,325
Depreciation Restatement	(2,003,505)
Restated Net Assets, December 31, 2004	\$84,131,820

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

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is founded on accounting for certain transactions on a basis of cash receipts, disbursements, appropriations, 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 (GAAP basis).
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 represents amounts received but not included on the budgetary statement, but reported on the operating statement prepared using GAAP. The reconciled difference between the beginning and end of the year is reflected in the following tables as unrecorded cash.
6. Cash that is held by agency funds on behalf of County funds represent amounts not included on the budgetary statement that are allocated and reported in the appropriate County fund on a GAAP basis.

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	Mental Retardation
GAAP Basis	\$317,327	(\$243,747)	\$1,164,046
Net Adjustments for			
Revenue Accruals	454,094	444,302	329,213
Net Adjustments for			
Expenditure Accruals	(8,244)	75,353	(48,801)
Unrecorded Cash	(1,049)	1,811	(16,005)
Transfers In	(345,577)	0	0
Transfers Out	32,842	0	0
Advances In	39,000	0	0
Advances Out	(20,187)	0	0
Encumbrances	(2,005,030)	0	(542,700)
Budget Basis	<u>(\$1,536,824)</u>	<u>\$277,719</u>	<u>\$885,753</u>

NOTE 5 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State Statute into two categories, active and inactive. Active monies are public monies determined to be necessary to meet current demand upon the County treasury.

Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

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

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

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

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

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

Cash on Hand

At year-end, the County had \$481,367 in undeposited cash on hand which is included on the Balance Sheet of the County as part of Cash and Cash Equivalents.

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, \$39,067,223 of the County's bank balance of \$40,445,710 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

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

Investments

As of December 31, 2005 the County had investments in STAR Ohio which is part of the internal investment pool. The carrying value of STAR Ohio was \$5,801,436, and the investment has an average maturity of 39.41 days.

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.

Credit Risk. STAR Ohio carries a rating of AAAM by Standard and Poor's. Ohio Law requires that STAR Ohio maintain the highest rating provided by at least one nationally recognized standard rating service and that the money market mutual fund be rated in the highest category at the time of the purchase by at least one nationally recognized standard rating service.

NOTE 6 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 2005 for tangible personal property (other than public utility property) is for 2005 taxes.

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

Public utility tangible personal property currently is assessed at varying percentages of true collected value; public utility real property is assessed at 35 percent of true value. 2005 public utility property taxes became a lien December 31, 2004, are levied after October 1, 2005, and are collected in 2006 with real property taxes.

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

The full tax rate for all County operations for the year ended December 31, 2005, was 13.80 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2005 property tax receipts were based are as follows:

Real Property	\$801,971,470
Public Utility Personal Property	71,292,490
Tangible Personal Property	<u>101,326,000</u>
Total Assessed Property Value	<u><u>\$974,589,960</u></u>

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

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

The County treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2005 and for which there is an enforceable legal claim. In the general fund, mental retardation fund, children services fund, mental health fund, and the in-home levy fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

NOTE 7 - PERMISSIVE SALES AND USE TAX

On April 10, 1985, the County Commissioners adopted a resolution which imposed a one half of one percent permissive sales tax as set forth in Section 5739.021 of the Ohio Revised Code. The tax became effective May 1, 1985, and was renewed on June 18, 1990. The revenues generated from this sales tax are used for the purpose of providing additional revenue for the County and paying the costs of administration of the levy.

On October 10, 1990, the County Commissioners imposed a one half of one percent increase in the permissive sales tax (Piggy Back Tax) in Belmont County. Then on November 8, 1994, the residents of Belmont County passed a one half of one percent increase in the permissive sales tax to fund a 911 emergency telephone system for the County, increasing the current rate to one and one half percent upon every retail sale made in Belmont County, except sales of motor vehicles, titled water craft and outboard motors. On December 31, 1999, the one half of one percent increase in the permissive tax to fund the 911 emergency telephone system expired. On October 28, 1999 the County commissioners enacted a one half of one percent to fund various County projects and is receipted into the General fund excluding \$250,000 used to fund road and bridge costs which is recorded in the Road and Bridge special revenue fund.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County. Proceeds of the tax are credited to the General Fund and the Road and Bridge special revenue fund.

NOTE 8 - RECEIVABLES

Receivables at December 31, 2005, consisted of taxes, interest, accounts (which include billed and unbilled charged 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 recent years the County experienced substantial flooding which resulted in significant road slip repairs which do not meet the County's capitalization criteria. Due to this flooding, there are substantial Federal Emergency Management Agency grants receivable. The costs associated with the repairs are reported as public works expense and the FEMA grants are recorded as operating grants program revenue.

Belmont County, Ohio
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For the Year Ended December 31, 2005

Loans receivable represent low interest loans for development projects granted to eligible County businesses under the Federal Community Development Block Grant program. The loans had an annual interest rate of 3% to 6% and were to be repaid over periods ranging from five to fifteen years. Principal, in the amount of \$276,029, was repaid during 2005. There were no loans outstanding at December 31, 2005.

Receivables and payables on the County's financial statements are recorded to the extent that the amounts are determined significant and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

Using this criteria, the County has elected to not record child support arrearages 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.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities:</u>	<u>Amount</u>
Local Government Funding	\$241,231
Election Reimbursements	\$5,367
Indigent Fee Reimbursement	43,252
DRETAC/Real Estate Assessment	54,224
Juvenile Court	118,711
Homestead/ Rollback and SB 3 Reimbursement	816,137
Motor Vehicle License and Gas Tax	2,047,963
Federal Emergency Management Agency Grants	1,027,162
HB 66 Reimbursement	413,406
CDBG Grant Funds	1,093,511
Public Assistance Grants	1,761,753
Child Support Enforcement Agency	32,115
Other Special Revenue Fund Grants	194,734
Law Enforcement Fund Grants	90,761
MRDD Fund Grants	529,459
Total	<u><u>\$8,469,786</u></u>

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

NOTE 9- CAPITAL ASSETS

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

	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005
<u>Governmental Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$692,299	\$0	\$0	\$692,299
Land Improvements	13,074,034	0	0	\$13,074,034
Construction in Progress	0	34,265	0	34,265
Total Non Depreciable Capital Assets	13,766,333	34,265	0	13,800,598
Depreciable Capital Assets:				
Buildings and Improvements	27,643,576	741,241	0	28,384,817
Furniture, Fixtures, Machinery and Equipment	7,257,113	165,582	(61,978)	7,360,717
Infrastructure	43,253,701	3,637,421	0	46,891,122
Vehicles	5,432,161	521,263	(226,920)	5,726,504
Total Depreciable Capital Assets	83,586,551	5,065,507	(288,898)	88,363,160
Accumulated Depreciation:				
Buildings and Improvements	(8,988,873)	(819,035)	0	(9,807,908)
Furniture, Fixtures, Machinery and Equipment	(6,001,530)	(315,651)	61,978	(6,255,203)
Infrastructure	(19,207,226)	(1,907,898)	0	(21,115,124)
Vehicles	(3,784,500)	(756,591)	199,190	(4,341,901)
Total Accumulated Depreciation	(37,982,129)	(3,799,175)	261,168	(41,520,136)
Total Depreciable Capital Assets, Net	45,604,422	1,266,332	(27,730)	46,843,024
Governmental Capital Assets, Net	\$59,370,755	\$1,300,597	(\$27,730)	\$60,643,622

During 2005, \$2,600,000 in grant revenue was contributed to Belmont County for the restoration of the "S" Blaine Hill Bridge.

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:

General Government:

Legislative and Executive	\$712,350
Judicial	38,741
Public Safety	328,104
Public Works	2,146,704
Health	389,247
Human Services	184,029
Total Depreciation Expense	\$3,799,175

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

	Balance 12/31/2004	Additions	Reductions	Balance 12/31/2005
<u>Business-Type Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$67,606	\$0	\$0	\$67,606
Construction in Progress	10,670,556	1,825,383	(1,763,077)	10,732,862
Total Non Depreciable Capital Assets	<u>10,738,162</u>	<u>1,825,383</u>	<u>(1,763,077)</u>	<u>10,800,468</u>
Depreciable Capital Assets:				
Buildings and Improvements	17,048,419	65,285	0	17,113,704
Furniture, Fixtures, Machinery and Equipment	686,075	67,254	0	753,329
Infrastructure	23,087,716	1,763,077	0	24,850,793
Vehicles	481,957	10,215	(8,049)	484,123
Total Depreciable Capital Assets	<u>41,304,167</u>	<u>1,905,831</u>	<u>(8,049)</u>	<u>43,201,949</u>
Accumulated Depreciation:				
Buildings and Improvements	(5,603,056)	(408,868)	0	(6,011,924)
Furniture, Fixtures, Machinery and Equipment	(303,543)	(62,347)	0	(365,890)
Infrastructure	(12,010,693)	(462,894)	0	(12,473,587)
Vehicles	(325,643)	(42,827)	8,049	(360,421)
Total Accumulated Depreciation	<u>(18,242,935)</u>	<u>(976,936)</u>	<u>8,049</u>	<u>(19,211,822)</u>
Total Depreciable Capital Assets, Net	<u>23,061,232</u>	<u>928,895</u>	<u>0</u>	<u>23,990,127</u>
Business-Type Capital Assets, Net	<u>\$33,799,394</u>	<u>\$2,754,278</u>	<u>(\$1,763,077)</u>	<u>\$34,790,595</u>

Depreciation expense was charged to business-type activities as follows:

Park Health Center	\$153,545
Sanitary Sewer District 2	196,002
Water Works 3	577,091
Water Works 1	2,790
Sanitary Sewer District 1	1,529
Sanitary Sewer District 3A	7,183
Sanitary Sewer District 3B	9,990
Sanitary Sewer District 3C	1,427
Water Works 2	19,331
Total Depreciation Expense	<u>\$968,888</u>

NOTE 10 - 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 members.

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

<u>Type of Coverage</u>	<u>Amount</u>	
<i>Liability:</i>		
General	\$1,000,000	Each Occurrence
Law Enforcement	1,000,000	Each Occurrence
Auto	1,000,000	Each Occurrence
Errors and Omissions	1,000,000	Each Occurrence
Stop Gap Liability	1,000,000	
Medical Professional	6,000,000	
Excess Liability	5,000,000	
Uninsured / Underinsured Motorists	250,000	
<i>Property:</i>		
Property	107,601,043	Replacement Cost Value
Equipment Breakdown	100,000,000	Replacement Cost Value
Crime	1,000,000	
Newly Aquired Location	5,000,000	
Contractor's Equipment	Actual Cash Value	
Property in Transit	100,000	Each Occurrence
Extra Expense Business Interruption	1,000,000	Each Occurrence
Flood Damage	100,000,000	Each Occurrence
Earthquake Damage	100,000,000	Each Occurrence
Debris Removal	1,000,000	Each Occurrence
Valuable Papers	1,000,000	Each Occurrence
Unintentional Omissions	250,000	Each Occurrence
Auto Physical Damage	Actual Cash Value	
<i>Crime:</i>		
Employee Dishonesty	\$1,000,000	Each Occurrence
Money and Securities	\$1,000,000	Each Occurrence
Depositor's Forgery	\$1,000,000	Each Occurrence
Money Orders and Counterfeit	\$1,000,000	Each Occurrence

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

The amount of settlements has not exceeded commercial coverage in any of the past three years. Also, the limits have not been lowered significantly in the past year. With the exception of workers' compensation, all insurance is held with CORSA. The County pays all elected official bonds by statute.

The County participates in the workers' compensation program provided by the state of Ohio. For 2005, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (See Note 22). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers compensation experience of the participating Counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. A savings of 20 percent was realized on the annual premium costs. Participation in the Plan is limited to Counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program.

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

NOTE 11 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System:

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

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

For the year ended December 31, 2005, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 8.5 percent of their annual covered salaries. Members participating in the traditional plan who were in law enforcement contributed 10.1 percent of their annual covered salary; members in public safety contributed 9 percent. The County's contribution rate for pension benefits for 2005 was 9.55 percent, except for those plan members in law enforcement or public safety. For those classifications, the County's pension contributions were 12.7 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

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The County's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2005, 2004, and 2003 were \$3,579,632, \$3,404,522, and \$3,325,507 respectively; 90.8 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$4,026 made by the County and \$2,525 made by the plan members.

B. State Teachers Retirement System (STRS):

Certified teachers employed by the County 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 at 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

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

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

The County's required contributions for pension obligations to the DB Plan for the fiscal years ended June 30, 2005, 2004, and 2003 were \$82,960, \$84,880, and \$78,059 respectively; 100 percent has been contributed for fiscal years 2004 and 2003. No contributions were made to the DC and Combined Plans for fiscal year 2005 by the County and plan members.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by a State Retirement System have an option to choose social security or the appropriate state system. The County's liability is 6.2 percent of wages paid. As of December 31, 2005, one employee has elected social security.

NOTE 12 - POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS):

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Post employment Benefit as described in *GASB Statement No. 12*. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2005 local government employer contribution rate was 13.55 percent of covered payroll (16.7 percent for public safety and law enforcement); 4.00 percent of covered payroll was the portion that was used to fund health care.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2004, include a rate of return on investments of 8 percent, an annual increase in active employee total payroll of 4 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase at the projected wage inflation rate plus an additional factor ranging from 1 to 6 percent annually for the next eight years and 4.00 percent annually after eight years.

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

The number of active contributing participants in the traditional and combined plans was 376,109. Actual employer contributions for 2005 which were used to fund post employment benefits were \$1,101,425. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2004, (the latest information available) were \$10.8 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$29.5 billion and \$18.7 billion, respectively.

On September 9, 2004, the OPERS Retirement Board adopted a Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. The HCPP restructures OPERS' health care coverage to improve the financial solvency of the fund in response to increasing health care costs.

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 System based on authority granted by State statute. The system is funded on a pay-as-you-go basis.

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

By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Board allocated employer contributions equal to 1 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$37,190 for fiscal year 2005.

STRS pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, the balance in the Fund was \$3.3 billion. For the year ended June 30, 2005, net health care costs paid by STRS were \$254,780,000 and STRS had 115,395 eligible benefit recipients.

NOTE 13 - OTHER EMPLOYER BENEFITS

A. Compensated Absences:

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

B. Medical and Life Insurance

The County contracts annually with The Health Plan, Health Assurance HMO, and Health Assurance PPO for employee health insurance. The County and most employees share in the cost of the monthly premiums paid to each carrier. The County also pays one hundred percent of the monthly premiums for dental and vision insurance provided through Delta Dental and Vision Service Plan, respectively. The County also pays the premiums for employee life insurance which is contracted through Medical Life Insurance. The Board of Mental Retardation and Developmental Disabilities employees are provided life insurance through J.W. Didion.

NOTE 14 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for copying and office equipment. During 2005, the County entered into additional capital leases for copying equipment. 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 on the statement of revenues, expenditures, and changes in fund balance for the governmental funds and as a reduction of the liability in the enterprise funds.

Equipment acquired by lease has been capitalized in the government wide statements governmental activities in the amount of \$290,729, and business type activities in the amount of \$9,069, 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 \$132,788, and business type capitalized leased assets are reflected net of accumulated depreciation in the amount of \$5,441 in the Park Health Center Fund. Principal payments towards capital leases during 2005 totaled \$52,814 for governmental activities and \$1,575 for business activities.

Belmont County, Ohio
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Future minimum lease payments through 2010 are as follows:

Year	Governmental Activities		Business Type Activities	
	Principal	Interest	Principal	Interest
2006	\$53,447	\$11,323	\$1,702	\$492
2007	53,517	7,583	1,838	355
2008	47,102	3,874	1,986	208
2009	26,066	931	1,593	52
2010	739	13	0	0
Total	<u>\$180,871</u>	<u>\$23,724</u>	<u>\$7,119</u>	<u>\$1,107</u>

NOTE 15 - CONSTRUCTION COMMITMENTS

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

Project	Fund	Purchase Commitment	Paid as of 12/31/05	Remaining on Contracts
Waterline Main	Water Works 3 Construction	\$7,034,483	\$6,508,911	\$525,572
Force Main	Sanitary Sewer 2	4,447,017	3,937,348	509,669
EMA Building	Emergency Operations Building	429,993	0	429,993
Sanitary Sewer Maintenance Building	Sanitary Sewer 2	196,426	66,798	129,628
Totals		<u>\$12,107,919</u>	<u>\$10,513,057</u>	<u>\$1,594,862</u>

Belmont County, Ohio
Notes to the Basic Financial Statements
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NOTE 16 - LONG-TERM LIABILITIES

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

	Outstanding 12/31/2004	Additions	Reductions	Outstanding 12/31/2005	Amounts Due Within One Year
<u>Governmental Activities</u>					
<u>General Obligation Bonds</u>					
<u>Various Purpose/Refunding - 2003 \$2,995,000</u>					
County Building Refunding - \$460,000					
Serial/Term @ 2.00%	310,000	0	150,000	160,000	160,000
Premium - \$3,279	2,186	0	1,093	1,093	0
Refunding Gain - \$4,400	(2,933)	0	(1,466)	(1,467)	0
County Jail Additional - \$1,325,000					
Serial/Term @ 2.00%-3.50%	1,220,000	0	110,000	1,110,000	115,000
"Net" Premium/Discount - \$777	699	0	78	621	0
Refunding Gain - \$12,750	(11,475)	0	(1,275)	(10,200)	0
<u>County Jail - 1996 \$2,725,000</u>					
Serial/Term @ 4.0%-5.85%	1,955,000	0	120,000	1,835,000	125,000
Total General Obligation Bonds	<u>3,473,477</u>	<u>0</u>	<u>378,430</u>	<u>3,095,047</u>	<u>400,000</u>
<u>Long Term Notes Payable</u>					
Northern Division Court Computer Improvement					
2004, \$40,000 @ 1.36%	40,000	0	40,000	0	0
Satellite Building					
2005, \$1,480,000 @ 4.00%	0	1,480,000	0	1,480,000	0
Road and Bridge Improvement Repair					
2005, \$2,000,000 @ 3.05%	0	2,000,000	0	2,000,000	0
Juvenile Detention Facility					
2004, \$500,000 @ 1.36%	500,000	0	500,000	0	0
Total Long Term Notes Payable	<u>540,000</u>	<u>3,480,000</u>	<u>540,000</u>	<u>3,480,000</u>	<u>0</u>
<u>Rural Industrial Park Loan</u>					
Fox Commerce Park - 2000, \$400,000 @0.0%-4.00%	400,000	0	85,549	314,451	26,913
<u>Capital Leases</u>	215,316	18,369	52,814	180,871	53,447
<u>Compensated Absences</u>	<u>2,777,179</u>	<u>1,534,422</u>	<u>1,813,218</u>	<u>2,498,383</u>	<u>1,045,010</u>
Total Governmental Activities	<u><u>\$7,405,972</u></u>	<u><u>\$5,032,791</u></u>	<u><u>\$2,870,011</u></u>	<u><u>\$9,568,752</u></u>	<u><u>\$1,525,370</u></u>

Belmont County, Ohio
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	Outstanding 12/31/2004	Additions	Reductions	Outstanding 12/31/2005	Amounts Due Within One Year
Business-Type Activities					
General Obligation Bonds					
Park Health Center Refunding, 1999 \$4,405,000					
Serial/Term @ 3.15%-4.80%	\$3,360,000	\$0	\$200,000	\$3,160,000	\$205,000
Refunding Gain - \$452,840	(317,781)	0	(317,781)	0	0
Various Purpose/Refunding, 2003 \$2,995,000					
Sanitary Sewer 2 - \$250,000					
Serial @ 2.00	170,000	0	85,000	85,000	85,000
"Net" Premium/Discount - \$1,792	1,195	0	597	598	598
Refunding Gain - \$2,400	(1,600)	0	(800)	(800)	(800)
Waterworks 3 - \$960,000					
Serial @ 2.00%-2.75%	820,000	0	150,000	670,000	150,000
"Net" Premium/Discount - \$5,258	4,382	0	876	3,506	0
Refunding Gain - \$9,250	(7,708)	0	(1,542)	(6,166)	0
Total General Obligation Bonds	4,028,488	0	116,350	3,912,138	439,798
Mortgage Revenue Bonds					
Waterworks 3 Phase I - 1992					
\$2,000,000 @ 6.125%	1,800,000	0	26,000	1,774,000	27,000
Waterworks 3 - 1997					
\$5,500,000 @ 4.875%	5,119,000	0	65,000	5,054,000	69,000
Total Mortgage Revenue Bonds	6,919,000	0	91,000	6,828,000	96,000
OWDA Loan					
Waterworks 3 - 1989 \$61,267 @ 8.25%	34,826	0	2,991	31,835	3,238
Long Term Notes					
Sanitary Sewer 2 - 2004, \$3,500,000 @ 1.36%	3,500,000	0	3,500,000	0	0
Sanitary Sewer 2 - 2005, \$2,500,000 @ 4.00%	0	2,500,000	0	2,500,000	0
Sanitary Sewer 2 - 2005, \$3,300,000 @ 2.89%	0	3,300,000	0	3,300,000	0
Waterworks 3 - 2004, \$1,000,000 @ 1.36%	2,000,000	0	2,000,000	0	0
Waterworks 3 - 2004, \$1,000,000 @ 2.25%	1,000,000	0	1,000,000	0	0
Waterworks 3 - 2005, \$1,000,000 @ 4.00%	0	1,000,000	0	1,000,000	0
Waterworks 3 - 2005, \$3,300,000 @ 2.89%	0	3,000,000	0	3,000,000	0
Total Long Term Notes	6,500,000	9,800,000	6,500,000	9,800,000	0
Capital Lease	8,694	0	1,575	7,119	1,702
Compensated Absences	322,861	290,783	267,704	345,940	143,776
Total Business-Type Activities	\$17,813,869	\$10,090,783	\$6,979,620	\$20,925,032	\$684,514

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

Governmental Activities:

2003 Various Purpose Refunding Bonds – On December 1, 2003 Belmont County issued \$2,995,000 of general obligation serial bonds. These various purpose refunding bonds were issued to refund the 1993 Various Purpose and Refunding Bonds of governmental and business type activities in the amounts of \$1,785,000 and \$1,210,000, respectively. The refunding bonds were issued with a “net” premium/discount of \$4,056 for governmental and \$7,050 for business type activities, which is reported as an increase to bonds payable. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance costs, \$42,879 for governmental and \$28,867 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 refunding resulted in a difference between the net carrying amount of the debt and the acquisition price, \$17,150 for governmental and \$11,650 for business type activities. These differences, reported in the accompanying financial statements as a decrease to bonds payable, are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance resulted in difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$111,086 for governmental activities and \$54,874 for business type activities. The issuance resulted in a total economic gain of \$156,350, \$102,224 for governmental activities and \$54,126 for business type activities.

A breakdown of the business-type portion of this bond issue is addressed below in the business type activity portion of this note. A breakdown of the governmental portion of the total bond issue is as follows:

\$460,000 of these general obligation bonds were issued to refund \$440,000 of outstanding 1993 various purpose and refunding bonds that were originally issued to refund bonds that had been issued for the construction of the human service building. These bonds are being retired through the debt service fund from rental income from the Department of Human Services. General Fund revenues will assist in the repayment if rental income is insufficient.

\$1,325,000 of these general obligation bonds were issued to refund \$1,275,000 of outstanding 1993 various purpose and refunding bonds that were originally issued for construction of the jail facility. These bonds are being retired through the debt service fund from sales and use tax proceeds.

These bonds are not subject to optional or mandatory redemption prior to stated maturity.

Principal and interest requirements to retire the 2003 Various Purpose Refunding Bonds outstanding at December 31, 2005 are as follows:

Year Ending December 31	Human Services Serial Bonds		Jail Construction Serial Bonds	
	Principal	Interest	Principal	Interest
2006	\$160,000	\$3,200	\$115,000	\$32,258
2007	0	0	120,000	29,957
2008	0	0	135,000	26,958
2009	0	0	135,000	23,583
2010	0	0	140,000	19,870
2011-2013	0	0	465,000	32,140
Totals	\$160,000	\$3,200	\$1,110,000	\$164,766

Belmont County, Ohio
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1996 County Jail Bonds – On August 1, 1996, Belmont County issued \$2,725,000 of general obligation bonds that consisted of \$1,285,000 serial bonds, and \$1,440,000 term bonds. The bonds were issued for a 20 year period with final maturity at December 1, 2016. The bonds are being retired from the debt service fund from sales and use tax proceeds.

The bonds maturing after December 1, 2006 are subject to optional redemption, in whole or in part, at the option of the Issuer, in inverse order of maturity, in integral multiples of \$5,000 and by lot within a maturity, on any date, commencing December 1, 2006 at the redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the redemption date:

Redemption Dates (Dates Inclusive)	Redemption Prices
December 1, 2006 through November 30, 2007	101.0%
December 1, 2007 and thereafter	100.0%

The term bonds that remain outstanding mature in the year 2016 and are subject to mandatory sinking fund redemption in part on each December 1, commencing December 1, 2009 (unless otherwise called for redemption, the balance of \$215,000 is to be paid at stated maturity on December 1, 2016) at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amounts and in the years as follows:

Date	to be Redeemed
2009	\$145,000
2010	155,000
2011	165,000
2012	175,000
2013	185,000
2014	195,000
2015	205,000
	\$1,225,000

Principal and interest requirements to retire the 1996 County Jail Bonds outstanding at December 31, 2005 are as follows:

Year Ending December 31	Principal	Interest
2006	\$125,000	\$105,395
2007	130,000	98,895
2008	140,000	91,940
2009	145,000	84,240
2010	155,000	75,758
2011-2015	925,000	231,076
2016	215,000	12,577
Totals	\$1,835,000	\$699,881

Belmont County, Ohio
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Long Term Notes Payable – The County has an outstanding long term bond anticipation note payable that is backed by the full faith and credit of the County. The note was issued for multiple projects within the county, including governmental and business type activities, \$1,480,000 and \$3,500,000, respectively.

A breakdown of the business-type portion of this note is addressed below in the business type activity portion of this note. A breakdown of the governmental portion of the total note is as follows:

\$1,480,000 for the purpose of paying part of the costs of acquiring and renovating buildings to house departments and agencies of the County and other political subdivisions, including without limitation, improvements to the county jail. The repayments will be made from revenues received from rentals from the departments and agencies of the County and other political subdivisions as well as general revenues of the County. This portion of the note was refinanced on March 15, 2006 as a portion of the twenty year bond issue, see Subsequent Event Note 24.

The County had an additional \$2,000,000 bond anticipation note that is backed by the full faith and credit of the County. The note was issued for the purpose of making repairs to roads and bridges due to the flooding in prior years, and was refinanced on March 15, 2006. See subsequent Event Note 24.

State Rural Industrial Park Loan – On August 23, 2000, the County entered into a loan agreement with the Ohio Department of Development for a \$400,000 Rural Industrial Park Note. This note was used for the purpose of construction of infrastructure for a new industrial park. The loan was issued for a fifteen year term bearing interest at the rate of zero percent for years one through five and a rate of four percent per annum for years six through fifteen. In addition, during years one through five payment of principal shall be due only upon the sale and transfer of parcels of land where the project is located. The amount payable as principal shall be 50% of the amount received as payment for the sale of project property. Beginning in year six, the principal balance of the loan and the interest on that amount shall be paid in one hundred twenty (120) consecutive monthly installments. In the event that revenues from the sale of property are not sufficient, general tax revenues will be used for the repayment of the loan.

Principal and interest requirements to retire the rural industrial park loan outstanding at December 31, 2005 is as follows:

Year Ending December 31	RIP Loan	
	Principal	Interest
2006	\$26,913	\$12,088
2007	28,009	10,992
2008	29,151	9,851
2009	30,338	8,663
2010	31,574	7,427
2011-2015	168,466	16,790
Totals	\$314,451	\$65,811

Capital Leases – The County has issued capital leases for copying and office equipment. These leases will be repaid through the general, public assistance, and mental retardation and development disabilities funds from County revenues.

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

Compensated Absences – The County will pay compensated absences from the General fund, Public Assistance, Mental Retardation, Other Special Revenue, Emergency 911, Motor Vehicle Gas Tax, Juvenile Court, and Children Services special revenue funds, and Park Health Center, Waterworks 2, Waterworks 3, Sanitary Sewer 1, Sanitary Sewer 2, Sanitary Sewer 3A, and Sanitary Sewer 3B enterprise funds.

Business Type Activities:

1999 Park Health Center Refunding Bonds – On April 1, 1999, Belmont County issued \$4,405,000 of general obligation bonds which included serial and term bonds in the amount of \$3,155,000 and \$1,250,000, respectively. These refunding bonds were issued for the purpose of advance refunding 1992 County Home Improvement Bonds in the amount of \$3,810,000. The Park Health Center advance refunding issue resulted in a difference between the acquisition price and the net carrying amount of the debt of \$452,840. This difference, reported in the accompanying financial statements as a deduction from bonds payable, is being charged to operations over the life of the bonds using the straight line method. These bonds are being repaid through operating revenues of the Park Health Enterprise Fund. A breakdown of the bond issue is as follows:

The bonds maturing after December 1, 2009 are subject to optional redemption, in whole or in part, at the option of the Issuer, in inverse order of maturity, in integral multiples of \$5,000 and by lot within a maturity, on any date, commencing December 1, 2009 at the redemption prices (expressed as percentages of the principal amount to be redeemed) set forth below, plus accrued interest to the redemption date:

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

The term bonds that remain outstanding mature in the year 2017 and are subject to mandatory sinking fund redemption in part on each December 1, commencing December 1, 2014 (unless otherwise called for redemption, the balance of \$335,000 is to be paid at stated maturity on December 1, 2017) at the redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective redemption dates in the principal amounts and in the years as follows:

Date	to be Redeemed
2014	\$290,000
2015	305,000
2016	320,000
	\$915,000

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

Principal and interest requirements to retire the 1999 Park Health Center Refunding Bonds outstanding at December 31, 2005 are as follows:

Year Ending December 31	Principal	Interest
2006	205,000	143,865
2007	215,000	135,460
2008	225,000	126,430
2009	230,000	116,868
2010	240,000	106,863
2011-2015	1,390,000	359,620
2016-2017	655,000	47,520
Totals	\$3,160,000	\$1,036,626

2003 Various Purpose Refunding Bonds – On December 1, 2003 Belmont County issued \$2,995,000 of general obligation serial bonds. These various purpose refunding bonds were issued to refund bonds, for governmental and business type activities in the amounts of \$1,785,000 and \$1,210,000, respectively. The refunding bonds were issued with a “net” premium/discount of \$4,056 for governmental and \$7,050 for business type activities, which is reported as an increase to bonds payable. These amounts are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance costs, \$42,879 for governmental and \$28,867 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 refunding resulted in a difference between the net carrying amount of the debt and the acquisition price, \$17,150 for governmental and \$11,650 for business type activities. These differences, reported in the accompanying financial statements as a decrease to bonds payable, are being amortized to interest expense over the life of the bonds using the straight-line method. The issuance resulted in difference (savings) between the cash flows required to service the old debt and the cash flows required to service the new debt of \$111,086 for governmental activities and \$54,874 for business type activities. The issuance resulted in a total economic gain of \$156,350, \$102,224 for governmental activities and \$54,126 for business type activities.

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

\$250,000 of these general obligation bonds were issued to refund \$240,000 of outstanding 1993 various purpose and refunding bonds sewer bonds. These bonds are being retired through the sanitary sewer district 2 fund from revenues derived from the operation of the sewer system.

\$960,000 of these general obligation bonds were issued to refund \$925,000 of outstanding 1993 various purpose and refunding bonds. These bonds are being retired through the Waterworks 3 fund from revenues derived from the operation of the water system.

These bonds are not subject to optional or mandatory redemption prior to stated maturity.

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

Principal and interest requirements to retire the 2003 Various Purpose Refunding Bonds outstanding at December 31, 2005 are as follows:

Year Ending December 31	Sanitary Sewer 2 Serial Bonds		Waterworks 3 Serial Bonds	
	Principal	Interest	Principal	Interest
2006	\$85,000	\$1,700	\$150,000	\$16,463
2007	0	0	160,000	13,462
2008	0	0	175,000	9,463
2009	0	0	185,000	5,087
Totals	\$85,000	\$1,700	\$670,000	\$44,475

Revenue Bonds – The County issued mortgage revenue bonds for various water and sewer projects. These bonds will be paid from revenues derived by the County from the operation of the water and sewer systems. Mortgage revenue bonds debt service requirements to maturity are as follows:

Year Ending December 31	Water Works	
	Principal	Interest
2006	\$96,000	\$355,040
2007	101,000	350,023
2008	106,000	344,736
2009	113,000	339,181
2010	118,000	333,260
2011-2015	688,000	1,566,844
2016-2020	888,000	1,366,066
2021-2025	1,150,000	1,105,368
2026-2030	1,488,000	767,452
2031-2035	1,493,000	353,909
2036-2038	587,000	43,290
Total	\$6,828,000	\$6,925,169

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

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

OWDA Loan – The County has issued an OWDA Loan for a water project. The loan will be repaid from charges for services revenue in the enterprise fund.

Year Ending December 31	Principal	Interest
2006	\$3,238	\$2,228
2007	3,506	2,002
2008	3,795	1,756
2009	4,109	1,491
2010	4,448	1,204
2011-2013	12,739	1,634
Total	<u>\$31,835</u>	<u>\$10,315</u>

Long Term Notes Payable – The County has an outstanding long term bond anticipation note payable that is backed by the full faith and credit of the County. The note was issued for multiple projects within the county, including governmental and business type activities, \$1,480,000 and \$3,500,000, respectively. The note was refinanced on March 15, 2006. See the Subsequent Event Note 24.

The breakdown of the business type portion of the note is as follows:

\$2,500,000 was issued for sanitary sewer improvements and is to be repaid through user charges from the sanitary sewer 2 fund.

\$1,000,000 was issued for water improvements and is to be repaid through sales and use taxes and user charges from the waterworks 3 fund.

The County had an additional \$6,300,000 long term note payable that is backed by the full faith and credit of the County. The note was issued for multiple projects within the county, \$3,300,000 for sanitary sewer improvements and \$3,000,000 for water improvements, and was refinanced on March 15, 2006. See the Subsequent Event Note 24. The note is to be repaid through user charges from the waterworks 3 and sales and use taxes.

Capital Lease – The County has issued a capital lease for copying equipment. This lease will be repaid through the park health center fund from operating revenues.

Legal Debt Margins:

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

The effects of the debt limitations described above at December 31, 2005 are a margin on unvoted debt of \$9,745,900 and an overall debt margin of \$20,676,821.

Conduit Debt:

Pursuant to State Statute, various industrial revenue bonds have been issued for private industry within Belmont County. The proceeds of the industrial revenue bonds are used by the various private industries for new construction or improvements. The bonds are to be repaid by the recipients of the proceeds and do not represent an obligation of the County. As of December 31, 2005, there is \$28,875,000 in industrial revenue bond issues that have not been completely repaid of which \$18,460,718 remain outstanding.

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

NOTE 17 - NOTES PAYABLE

A summary of the note transactions for the year ended December 31, 2005, follows:

<u>Special Revenue Fund:</u>		Outstanding 12/31/2004	Issued	Retired	Outstanding 12/31/2005
Common Pleas					
Court Computer	2.05%	\$105,000	\$0	\$105,000	\$0
Common Pleas					
Court Computer	4.00%	0	95,000	0	95,000
Northern					
Court Computer	2.89%	0	25,000	0	25,000
<i>Total Special Revenue Funds</i>		<u>105,000</u>	<u>120,000</u>	<u>105,000</u>	<u>120,000</u>
<u>Capital Projects Funds:</u>					
Satellite Building	3.00%	1,485,000	0	1,485,000	0
County Engineer Buildings	2.05%	1,120,000	0	1,120,000	0
County Engineer Buildings	4.00%	0	960,000	0	960,000
Emergency Operations Center	4.00%	0	300,000	0	300,000
<i>Total Capital Projects Funds</i>		<u>2,605,000</u>	<u>1,260,000</u>	<u>2,605,000</u>	<u>1,260,000</u>
<u>Enterprise Funds:</u>					
Sanitary Sewer System	3.00%	2,200,000	0	2,200,000	0
Sanitary Sewer System	3.00%	500,000	0	500,000	0
Water Works System	3.00%	155,000	0	155,000	0
Water Works System	3.00%	1,000,000	0	1,000,000	0
Water Works System	4.00%	0	130,000	0	130,000
<i>Total Enterprise Funds</i>		<u>3,855,000</u>	<u>130,000</u>	<u>3,855,000</u>	<u>130,000</u>
Total All Funds		<u>\$6,565,000</u>	<u>\$1,510,000</u>	<u>\$6,565,000</u>	<u>\$1,510,000</u>

All of the notes, with the exception of the court computer notes, are bond anticipation notes and are backed by the full faith and credit of Belmont County and have maturity dates of one year or less. Those notes pertaining to the water works and the sanitary sewer enterprise funds will be paid from revenues derived by the County from the operation of the water and sewer systems with the exception of the \$130,000 Water Works System 4.00% Note. County sales and use tax revenue will assist in the repayment if enterprise fund revenues are insufficient. The installment notes issued for court computers were paid through the Court Computer Fund with fine and forfeiture monies.

Notes that had been reported as long-term at December 31, 2004 are reported as fund obligations at December 31, 2005 as the notes were not refinanced prior to the issuance of the financial statements.

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

NOTE 18 – INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

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

<u>Interfund Payable</u>	<u>Interfund Receivable</u>							Total
	<u>Major Funds</u>					Other		
	General	Public Assistance	MRDD	Sanitary Sewer 2	Water Works 3	Nonmajor Governmental	Other Enterprise	
Major Funds:								
General Fund	\$0	\$8,804	\$2,720	\$0	\$1,816	\$0	\$0	\$13,340
Public Assistance	4,255	0	0	0	0	0	0	4,255
Water Works 3	0	0	0	42,000	0	0	0	42,000
Other Nonmajor								
Governmental	393,966	46,883	0	3,138	139,976	528,874	166,777	1,279,614
Other Enterprise	0	0	0	0	55,457	0	200,000	255,457
Total All Funds	\$398,221	\$55,687	\$2,720	\$45,138	\$197,249	\$528,874	\$366,777	\$1,594,666

The balance due to the Water Works 3 Fund that is included in the other enterprise funds column above includes loans made to provide working capital for operations; the entire balance is scheduled to be collected within one year.

The remaining interfund receivables/payables are due to time lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made. All of these amounts are expected to be received within one year.

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

<u>Transfer from</u>	<u>Transfers to</u>							Total
	<u>Major Funds</u>			Water Works 3	Sanitary Sewer 2	Other		
	General	Public Assistance	Infrastructure			Nonmajor Governmental	Other Enterprise	
General Fund	\$0	\$358,767	\$700,000	\$0	\$0	\$692,462	\$0	\$1,751,229
Other Nonmajor								
Governmental	345,577	0	0	170,060	3,138	2,746,223	169,652	3,434,650
Other Enterprise	0	0	0	0	9,573	0	0	9,573
Total All Funds	\$345,577	\$358,767	\$700,000	\$170,060	\$12,711	\$3,438,685	\$169,652	\$5,195,452

Transfers were used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them; to move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments 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. Belmont County receipts the FEMA revenue in the FEMA special revenue fund and transfers amounts to the fund that made the expenditures.

NOTE 19 - JOINT VENTURE

Belmont-Harrison Juvenile District (District):

The Belmont-Harrison Juvenile District is jointly operated by Belmont and Harrison Counties for the purpose of providing a safe, humane and productive environment for the youth in its care. Based upon the needs of each court-placed youth, referrals are made for appropriate delivery of medical, psychological and substance abuse services. The District is committed to the goal of rehabilitative services. The joint board of commissioners whose membership consists of the three commissioners from each participating county is responsible for providing funds to support the District and appoints the Board of Trustees upon recommendation and approval of the juvenile judge of that county of which that person is a resident. The board of trustees, consisting of four members from the Belmont County area and three from the Harrison County area, oversees and sets rules and regulations for District Programs and appoints the Director of the District. Belmont County, being the largest county, is the fiscal agent for the District. The Board exercises total control of the budgeting, appropriation, contracting and management.

Each county's contribution is based on its prior year's usage of services and is made from the General Fund. Belmont County's payment for services provided the County from the District amounted to \$665,837 or 53 percent of the District's total revenues during 2005. Continued existence of the Joint District is dependent upon the County's continued participation; however, the County does not have an equity interest in the District. The Joint District 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 District is presented as an agency fund due to the County serving as fiscal agent. Complete financial statements can be obtained from the Belmont-Harrison Juvenile District, St. Clairsville, Ohio.

NOTE 20 - JOINTLY GOVERNED ORGANIZATIONS

A. Belmont, Harrison, and Monroe Counties Cluster

Belmont, Harrison, and Monroe Counties Cluster provide services to multi-need youth in Belmont, Harrison, and Monroe Counties. Members of the Cluster include the Belmont, Harrison, and Monroe Counties Alcohol, Drug Addiction, and Mental Health Services Board, the Children Services Board, the Belmont, Harrison, Monroe Drug and Alcohol Councils, student services, Belmont-Harrison 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 Belmont 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. In 2005, the County contributed \$213,216 to the Cluster.

B. Bel-O-Mar Regional Council

Bel-O-Mar Regional Council is operated as a non-profit organization formed to provide planning and administrative services to all local governments in a four county region comprised of Belmont County and three counties in West Virginia. The governing board is comprised of 58 officials from the four county service area of which four are appointed by Belmont County. The Council is not dependent upon Belmont 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 \$9,905 to the Council during 2005.

C. Mental Health Recovery Board:

The Board is responsible for delivery of comprehensive mental health and substance abuse services in Belmont, Harrison and Monroe counties. The Board provides no direct services but contracts for their delivery. The Board's function is to assess needs, and to plan, monitor, fund and evaluate the services. The Board is managed by eighteen members, six appointed by commissioners of Belmont County, two each by commissioners of Harrison and Monroe counties and are proportionate to population, four by Ohio Department of Drug and Alcohol and four by the State Department of Mental Health. Each participating county's influence is limited to the number of members each appoints to the board. The Board exercises total control of the budgeting, appropriation, contracting and management.

Contributions of \$975,329 were provided to the Board by Belmont County during 2005. This represents approximately 11 percent of the Board's revenue. The remaining revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Since Belmont County serves as the fiscal agent for the Board, the financial activity of the Board is presented as an agency fund. Continued existence of the Board is not dependent on the County's continued participation, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Board.

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 non-violent felony offenders. The facility is operated and managed by SOJRD. The participating entities created a Judicial Rehabilitation Board the members of which are made-up of the juvenile judges of each participating county who determine the policy.

A Board of Trustees has been created whose members are appointed by the Judicial Rehabilitation Board 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 Belmont 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. Since Belmont County serves as the fiscal agent for the Board, the financial activity of the Board is presented as an agency fund.

E. Area Office on Aging:

The Area Office on Aging is a regional council of governments that assists nine counties, including Belmont 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. A local not-for-profit corporation (The Belmont County Committee on Aging, Inc.) receives revenue from a one-half mill tax levy. These revenues and related expenditures are reported in the In Home Care Levy fund of the County's financial statements. 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.

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. During 2005, OMEGA received \$9,480 from Belmont County. The continued existence of OMEGA is not dependent on the County's continued participation and the County does not have an equity interest in or financial responsibility for OMEGA. OMEGA has no outstanding debt.

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 Belmont County is a member. The Authority is not dependent on Belmont 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 contributed \$187,602 of fees levied on residents of Belmont County to the Authority during 2005.

H. South Eastern Narcotics Team (SENT):

SENT is a multi-jurisdictional drug task force with the primary goal of combating major narcotic traffickers in Belmont, Carroll, Guernsey, Harrison, Monroe, and Tuscarawas Counties. It is jointly governed among the participating counties and cities. A grant is received from the State of Ohio of which the participating entities must match 25 percent. Of the 32 members, the County appoints two. Each member's control over the operation of SENT is limited to its representation of the Board. In 2005, the County did not contribute to SENT.

I. Belmont County Family and Children First Council:

The Belmont County Family and Children First Council is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is made up of the following members: Director of the Board of Alcohol, Drug Addiction, and Mental Health Services; Director of the Belmont County Community Mental Health Services Board; Health Commissioner of the Belmont County Health Department; Director of the Belmont County Human Services; Director of the Children Services Department; Superintendent of the Belmont County Mental Retardation and Development Disabilities; the Belmont County Juvenile Court Judge; Superintendent of St. Clairsville City Schools; Superintendent of Bridgeport Exempted Village Schools; Mayor of the City of Martins Ferry; two representatives of the City of St. Clairsville; Chair of the Belmont County Commissioners; State Department of Youth Services Regional representative; representative from the County Head Start Agencies; a representative of the County's early intervention collaborative established pursuant to the federal early intervention program operated under the "Education of the Handicapped Act Amendments of 1986"; and at least three individuals representing the interests of families in the County. When possible, the number of members representing families shall be equal to twenty percent of the Council's remaining membership. In 2005, the County made no contributions to the Council. Continued existence of the Council is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

J. East Ohio Correctional Facility:

The East Ohio Correction Facility provides services to Belmont, Carroll, Columbiana, Guernsey, Harrison, Jefferson, Monroe and Noble Counties. The facility has a judicial correctional board of eight, each participating County's Common Pleas Judge with Belmont and Jefferson County having two appointed. 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 Belmont County, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Facility. Jefferson County serves as the fiscal agent for the Facility. Complete financial statements can be obtained from the East Ohio Correctional Facility.

K. Buckeye Hills Resource Conservation and Development Council (RC&D):

RC&D is a 501 (c) (3) non-profit entity, serving a ten county region in southeastern Ohio including Athens, Belmont, Fairfield, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties. The Council was created to identify and solve problems in rural communities including human, economic, natural resources and environmental issues. The RC&D is sponsored by the Boards of County Commissioners and the Soil and Water Conservation Districts in the ten counties, along with the Muskingum Watershed Conservancy District and the Rush Creek Conservancy District. The governing body of RC&D is the Executive Council, made up of 32 members which include three representatives from each county and one representative from each conservancy district. The Council has total control over budgeting, personnel, and all other financial matters. The continued existence of the Project is not dependent on Belmont County, no debt exists, and the County does not have an equity interest in or a financial responsibility for the RC&D.

L. Belmont, Carroll, Harrison, and Jefferson Counties Council of Government

The Belmont, Carroll, Harrison, and Jefferson Counties Council of Government was created to establish the operating and administrative procedures and to direct funding within the Workforce Investment Area as required by the Workforce Investment Act of 1998. The Council of Governments is comprised of four voting members, one designated from each County, each of whom shall be a duly elected County Commissioner, and may include ex-officio members, representatives from the Department of Job and Family Services of the member counties, and the Chairperson of the Workforce Investment Board. During 2005, the County made no contributions to the Board.

NOTE 21 - RELATED ORGANIZATIONS

A. Belmont Metropolitan Housing Authority

The Belmont 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.

B. Belmont Park District

The three Park District Commissioners are appointed by the Probate Judge of the County. The Park District hires and fires its own staff and does not rely on the County to finance deficits. The County is not financially accountable for the Park District nor is the Park District financially dependent on the County. The Park District serves as its own budgeting, taxing and debt issuance authority. During 2005, the Park District received \$32,022 from local government and local government revenue assistant monies.

NOTE 22 - PUBLIC ENTITY POOLS

A. County Risk Sharing Authority (CORSA)

The County Risk Sharing Authority, Inc. (CORSA) is a public entity shared risk pool among sixty 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. The County's payment for insurance to CORSA in 2005 was \$366,185.

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

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a County Commissioner.

NOTE 23 - FOOD STAMPS

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

NOTE 24 – CONTINGENCIES/SUBSEQUENT EVENTS

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 - The County is party to legal proceedings. The County is of the opinion that ultimate disposition of claims will not have a material effect, if any, on the financial condition of the County.

Bonds and Long-Term Notes Payable - On March 15, 2006, the County refinanced three bond anticipation notes payable that were originally issued for water projects, sewer projects, road and bridge improvements and satellite building improvements.

A portion of the sanitary sewer notes and the satellite building notes were refinanced with a bond issue. Twenty year various purpose bonds were issued in the amount of \$6,700,000 with varying interest rates and matures on March 14, 2026.

A one year bond anticipation note was issued in the amount of \$9,800,000 at an interest rate of 4.25 percent and matures on March 14, 2007. The note was issued to refinance the remaining portion of the sanitary sewer notes, water works notes, and road and bridge notes. The refinanced notes were issued as twelve month bond anticipation notes at interest rates from 2.89 to 4.00 percent and maturing on March 15, 2006. These notes are intended to be repaid through enterprise fund user charges and sales and use tax.

NOTE 25 - RELATED PARTY TRANSACTIONS

During 2005 Belmont County provided facilities, certain equipment, transportation and salaries for administration, implementation and supervision of its programs to Belco Works, Inc. Belco Works, Inc., a discretely presented component unit of Belmont County, reported \$606,858 for such contributions. Belco Works, Inc., 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 Belco Works, Inc.

NOTE 26 – COMPONENT UNIT - BELCO WORKS, INC.

A. NATURE OF ORGANIZATION

Belco Works, Inc. (Belco) is a non-profit organization (formerly known as Belco Crafts, Inc), which provides meaningful employment and training opportunities to adults with disabilities. A self-appointing Board of Directors operates Belco Works, Inc. The workshop, under a contractual agreement with the Belmont County Board of Mental Retardation and Developmental Disabilities (MR/DD), provides sheltered employment for mentally retarded or handicapped adults in Belmont County.

In 2003 Paramount Support Services was a division of Belco Works, Inc and was included in the financial statements of Belco Works, Inc. On January 1, 2004 Paramount Support Services began operations as Paramount Support Services, Inc., a non-profit organization controlled by Belco Works, Inc.'s Board of Directors. Paramount Support Services, Inc. works in conjunction with Belco Works, Inc. to provide residential support services for mentally retarded or handicapped individuals in Belmont County and the surrounding areas.

Paramount Support Services, Inc. dissolved on December 31, 2005. According to Paramount's Articles of Incorporation, upon dissolution of the not-for-profit, all assets shall revert in whole to Belco Works, Inc. Belco Works, Inc. sold the assets of Paramount on December 31, 2005 to an unrelated party for \$180,000.

Based on the significant services and resources provided by Belmont County to Belco Works, Inc. and that the sole purpose of the workshop is to provide assistance to the retarded and handicapped adults of Belmont County, it was determined that Belco Works, Inc. should be presented as a component unit on the financial statements of Belmont County.

B. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The financial statements and accounts of Belco are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for not-for-profit organizations. Revenues are recognized when received, and expenses are recognized when incurred.

Basis of Presentation - Financial statements have been prepared in conformity with the disclosure and display requirements of Financial Accounting Standard No. 117 Financial Statements of Not-for Profit Organizations.

Revenues are recorded as increases in unrestricted net assets unless donor imposed restrictions limit the use to a specific purpose. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by specific donor stipulations or by law. Expirations of temporary restrictions on net assets (e.g. a donor stipulation has been met) are reported as reclassifications between applicable classes of net assets in the accompanying statements of activities.

Accounts Receivable - Accounts receivable are considered to be fully collectible, accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Inventory - Inventory is stated at the lower of cost or market.

Cash and Cash Equivalents - For purposes of the statement of cash flows, Belco considers all short-term debt securities purchased with maturity of three months or less to be cash equivalents.

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.

C. RESTRICTED CASH AND CASH EQUIVALENTS

These checking accounts contain funds that are restricted to client activities, events, or projects. The funds cannot be used for the operations of Belco.

D. RELATED PARTY TRANSACTION

Belco received contributions from the Belmont County Board of Mental Retardation and Developmental Disabilities for facilities, certain equipment, transportation and salaries for administration, and implementation and supervision of its programs. These in-kind contributions are reflected as sales and cost of sales at the value calculated by the County Board.

E. CONCENTRATION OF CREDIT RISK

As noted above, Belco receives a substantial amount of support from the Belmont County Board of Mental Retardation and Developmental Disabilities. A significant reduction in the level of this support, if this were to occur, may have an effect on Belco's programs and activities.

At year-end 2005 and 2004, the carrying amounts of Belco's deposits were \$703,615 and \$513,112 respectively. The year-end 2005 and 2004 bank balances were \$785,058 and \$598,434. Of the year ended 2005 and 2004 bank balances \$200,000 and \$300,000 were covered by federal depository insurance (FDIC), \$450,000 was collateralized by securities held by the pledging financial institution in Belco's name and \$135,058 and \$62,899 was considered uninsured. Belco holds certificates of deposit totaling \$72,734 at December 31, 2005 and \$71,755 at December 31, 2004.

F. HEALTH INSURANCE

Belco has elected to be self-insured (within certain limits) for employee health insurance. Claims are expensed to various departments and employee benefit accounts when claim amounts are known. Administrative services of the health insurance plan have been contracted for with a third party. Belco and its employees share in the cost of the monthly administration of the plan. An excess loss insurance policy has been purchased to cover all costs over \$27,500 per person. Costs above the \$1,000,000 limit per person revert back to Belco.

During 2005, recoveries under the excess loss policy were \$91,153 recorded by Paramount and \$127,726 recorded by Belco. The total \$218,879 is recorded as a reduction of employee benefits expense. The estimate for incurred but not reported claim liability at year-end was \$150,000 and \$95,000 for 2005 and 2004, respectively. The change in the incurred but not reported liability is recorded in employee benefits expense.

G. COMPENSATED ABSENCES

Belco's policy permits employees to accumulate unlimited amounts of personal leave time, which will be paid upon termination. A liability for compensated absences is recorded for personal leave balances accumulated by employees.

As part of the sale of Paramount all Paramount employees were paid their accumulated vacation benefits. This resulted in a credit balance in vacation pay on the statement of activities. A substantial portion of the Paramount employees vacation payout was funded by Belco.

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

H. RETIREMENT BENEFITS

Belco Works, Inc. administers a 403(b) Plan for the benefit of its employees. The plan is available to all full-time staff members. The Plan is funded through contributions of employees. The employer does not make contributions.

I. CAPITAL ASSETS

Under provisions of the agreement with the Belmont County Board of Mental Retardation and Developmental Disabilities, most capital assets necessary for the program are owned by the Board and are used by Belco without charge. Property and equipment owned by Belco is stated at cost. Depreciation is computed using the straight-line method. Depreciation expense for 2005 was \$81,538 and \$90,848 for 2004.

A summary of assets at December 31 is as follows:

	2005	2004
Auto and trucks	\$ 490,870.75	\$ 487,832.75
Equipment	242,984.20	290,755.33
Total	733,854.95	778,588.08
Less: Accumulated depreciation	(601,637.20)	(627,495.47)
Net capital assets	\$ 132,217.75	\$ 151,092.61

A summary of the changes in capital assets during 2005 follows:

	Balance January 1, 2005	Additions	Reductions	Balance December 31, 2005
Auto and trucks	\$ 487,832.75	\$ 47,197.00	\$ 44,159.00	\$ 490,870.75
Equipment	290,755.33	15,853.00	63,624.13	242,984.20
Total	\$ 778,588.08	\$ 63,050.00	\$ 107,783.13	\$ 733,854.95

J. LONG-TERM DEBT

Long-term debt consists of the following:

	2005	2004
Note payable to Chrysler with interest at 2.9%, due December 2005, secured by 2000 Dodge Caravan	\$ -	\$ 4,725.94
Note payable to Ford Credit with interest at 2.9%, due May 2006, secured by 2001 Ford Windstar	-	5,983.95
	\$ -	\$ 10,709.89

K. NOTE RECEIVABLE

On December 31, 2005, Belco entered into a \$120,000.00, 4.262% note receivable agreement for the sale of Paramount Support Services' assets. The note is to be paid in twenty-four monthly installments of \$5,225.00.

L. INCOME TAX STATUS

Belco Works, Inc. and Paramount Support Services, Inc. are not-for-profit corporations organized and operated exclusively as sheltered workshops for disabled individuals within the meaning of Section 501 (c) (3) of the U.S. Internal Revenue Code and classified by the Internal Revenue Service as other than private foundations. Therefore, no liability for income taxes is reflected in the accompanying financial statements.

M. PRIOR PERIOD RESTATEMENT

Accounts payable recorded by Belco as of December 31, 2004 was overstated by \$96,260.06. A prior period adjustment decreasing accounts payable and reimbursable and other production costs has been recorded to correct this error.

N. NEGATIVE OPERATING TRENDS

Over the past three years, Belco has incurred substantial operating losses. Net assets have decreased 44%, from \$1,080,704.45 at January 1, 2003 to \$607,998.95 at December 31, 2005. Management is attempting to reverse this negative trend in several ways. First, management believes that Paramount Support Services, Inc. has resulted in substantial losses during the three year period. Paramount has been sold. Second, Belco has become a medicaid waiver provider which may open new revenue sources. Finally, Belco management is continuing to look at potential cost savings through the elimination of departments that are not self supporting and alternatives to the existing health care plan.

**COMBINING STATEMENTS
AND
INDIVIDUAL FUND SCHEDULES**

**Belmont 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:

Other Special Revenue 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 programs.

Law Enforcement Fund – To account for monies received from grants, fines, court fees and revenues derived from private escort work used for alcohol and drug addiction treatment programs and for court appointed guardians for indigents.

Road and Bridge Fund – To account for revenues received from a portion of the one half of one percent piggyback sales tax. Expenditures are for the repair and paving of County roads.

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

Lodging Excise Tax Fund – To account for revenues generated by a three percent excise tax. The money is used to promote tourism in the County.

Motor Vehicle and Gasoline Tax Fund – To account for revenues derived from motor vehicle licenses, gasoline taxes, and interest income. This money is used for road and bridge repairs and operating costs of the County Engineer.

Juvenile Court Fund – To account for state grants, fees and donations used to provide services and community treatment to juvenile offenders.

Mental Health Fund – To account for property tax revenue and federal and state grants used by the Belmont-Harrison-Monroe Counties Alcohol Drug Addiction and Mental Health Services Board.

In-Home Care Levy Fund – To account for revenue derived from a County levy used for providing transportation, nutrition and in-home services to elderly residents who are frail and/or handicapped.

Children Services Fund – To account for monies received from property taxes, federal and state grants, support collections, the Veterans Administration and Social Security. The revenue is to be used for foster homes, emergency shelters, medical treatment, school supplies, counseling and parental training.

County Courts Fund – To account for monies received through court fines and fees which are used for court expenses, enforcing laws, and other judicial programs and issues.

Commissioners CDBG Fund – To account for revenue from the Federal Department of Housing and Urban Development. The Bel-O-Mar Regional Council administers these funds for Belmont County.

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

(Continued)

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

Nonmajor Debt Service Fund:

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

Nonmajor Capital Projects Funds:

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

Permanent Improvement Fund – To account for grants, local funds, property taxes and general fund transfer which are used to finance various projects in the County.

Road and Bridge Improvement and Repair Fund - To account for note proceeds used for repair and improvements.

Satellite Building Construction Fund – To account for grant money and note proceeds used for the purchase and furnishing of buildings for two satellite offices of the Department of Human Services.

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$7,321,167	\$90,188	\$4,777,789	\$12,189,144
Cash and Cash Equivalents with Fiscal Agents	1,555,027	0	0	1,555,027
Investments in Segregated Accounts	20,576	0	0	20,576
Accounts Receivable	3,724	0	0	3,724
Intergovernmental Receivable	5,001,048	0	0	5,001,048
Permissive Sales Tax Receivable	16,223	0	0	16,223
Materials and Supplies Inventory	313,008	0	0	313,008
Interfund Receivable	0	0	528,874	528,874
Property and Other Local Taxes Receivable	2,701,987	0	0	2,701,987
Total Assets	\$16,932,760	\$90,188	\$5,306,663	\$22,329,611
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$345,148	\$0	\$149,510	\$494,658
Accrued Wages and Benefits Payable	66,551	0	0	66,551
Intergovernmental Payable	551,967	0	0	551,967
Interfund Payable	1,279,614	0	0	1,279,614
Accrued Interest Payable	2,030	0	19,180	21,210
Deferred Revenue	6,746,417	0	0	6,746,417
Bond Anticipation Notes Payable	120,000	0	1,260,000	1,380,000
Total Liabilities	9,111,727	0	1,428,690	10,540,417
<u>Fund Balances:</u>				
Reserved for Encumbrances	270,733	0	984,309	1,255,042
Unreserved:				
Undesignated, Reported in:				
Special Revenue Funds	7,550,300	0	0	7,550,300
Debt Service Funds	0	90,188	0	90,188
Capital Projects Funds	0	0	2,893,664	2,893,664
Total Fund Balances	7,821,033	90,188	3,877,973	11,789,194
Total Liabilities and Fund Balances	\$16,932,760	\$90,188	\$5,306,663	\$22,329,611

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

	Other Special Revenue	Law Enforcement	Road and Bridge	Emergency 911	Lodging Excise Tax
<u>Assets:</u>					
Equity in Pooled Cash and Cash Equivalents	\$1,871,008	\$315,560	\$21,144	\$404,806	\$322,609
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	0
Investments in Segregated Accounts	20,576	0	0	0	0
Accounts Receivable	3,724	0	0	0	0
Intergovernmental Receivable	281,073	90,761	0	0	0
Permissive Sales Tax Receivable	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Property and Other Local Taxes Receivable	0	0	0	0	26,436
Total Assets	\$2,176,381	\$406,321	\$21,144	\$404,806	\$349,045
<u>Liabilities and Fund Balances:</u>					
<u>Liabilities:</u>					
Accounts Payable	\$72,644	\$6,992	\$0	\$14,983	\$0
Accrued Wages and Benefits Payable	4,994	0	0	9,105	0
Intergovernmental Payable	29,964	6,269	0	12,291	91
Accrued Interest Payable	0	0	0	0	0
Interfund Payable	79,806	0	0	0	0
Deferred Revenue	268,753	64,974	0	0	0
Bond Anticipation Notes Payable	0	0	0	0	0
Total Liabilities	456,161	78,235	0	36,379	91
<u>Fund Balances:</u>					
Reserved for Encumbrances	23,165	1,967	0	25,252	0
Unreserved, Undesignated	1,697,055	326,119	21,144	343,175	348,954
Total Fund Balances	1,720,220	328,086	21,144	368,427	348,954
Total Liabilities and Fund Balances	\$2,176,381	\$406,321	\$21,144	\$404,806	\$349,045

Motor Vehicle and Gasoline Tax	Juvenile Court	Mental Health	In-Home Care Levy	Children Services	County Courts	Commissioners CDBG	Federal Emergency Management Assistance	Total Nonmajor Special Revenue Funds
\$893,880	\$85,934	\$25,536	\$608,212	\$738,226	\$821,221	\$28,689	\$1,184,342	\$7,321,167
0	0	0	0	0	0	1,555,027	0	1,555,027
0	0	0	0	0	0	0	0	20,576
0	0	0	0	0	0	0	0	3,724
2,047,963	118,711	110,894	175,981	54,992	0	1,093,511	1,027,162	5,001,048
16,223	0	0	0	0	0	0	0	16,223
313,008	0	0	0	0	0	0	0	313,008
0	0	856,233	1,391,170	428,148	0	0	0	2,701,987
<u>\$3,271,074</u>	<u>\$204,645</u>	<u>\$992,663</u>	<u>\$2,175,363</u>	<u>\$1,221,366</u>	<u>\$821,221</u>	<u>\$2,677,227</u>	<u>\$2,211,504</u>	<u>\$16,932,760</u>
\$124,604	\$17,809	\$0	\$0	\$78,214	\$1,239	\$28,663	\$0	\$345,148
27,927	5,213	0	0	19,312	0	0	0	66,551
54,085	26,681	0	378,333	42,289	1,964	0	0	551,967
0	0	0	0	0	2,030	0	0	2,030
0	0	0	0	15,466	0	0	1,184,342	1,279,614
1,272,255	101,150	967,127	1,567,151	483,140	0	1,087,801	934,066	6,746,417
0	0	0	0	0	120,000	0	0	120,000
<u>1,478,871</u>	<u>150,853</u>	<u>967,127</u>	<u>1,945,484</u>	<u>638,421</u>	<u>125,233</u>	<u>1,116,464</u>	<u>2,118,408</u>	<u>9,111,727</u>
150,498	0	0	37,586	0	1,093	0	31,172	270,733
1,641,705	53,792	25,536	192,293	582,945	694,895	1,560,763	61,924	7,550,300
<u>1,792,203</u>	<u>53,792</u>	<u>25,536</u>	<u>229,879</u>	<u>582,945</u>	<u>695,988</u>	<u>1,560,763</u>	<u>93,096</u>	<u>7,821,033</u>
<u>\$3,271,074</u>	<u>\$204,645</u>	<u>\$992,663</u>	<u>\$2,175,363</u>	<u>\$1,221,366</u>	<u>\$821,221</u>	<u>\$2,677,227</u>	<u>\$2,211,504</u>	<u>\$16,932,760</u>

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

	Permanent Improvement	Road and Bridge Improvement and Repair	Satellite Building Construction	Total Nonmajor Capital Projects Funds
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,870,773	\$2,155,631	\$751,385	\$4,777,789
Interfund Receivable	0	528,874	0	528,874
Total Assets	\$1,870,773	\$2,684,505	\$751,385	\$5,306,663
<u>Liabilities and Fund Balances:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$0	\$149,510	\$0	\$149,510
Accrued Interest Payable	19,180	0	0	19,180
Bond Anticipation Notes Payable	1,260,000	0	0	1,260,000
Total Liabilities	1,279,180	149,510	0	1,428,690
<u>Fund Balances:</u>				
Reserved for Encumbrances	300,000	681,309	3,000	984,309
Capital Projects Funds	291,593	1,853,686	748,385	2,893,664
Total Fund Balances	591,593	2,534,995	751,385	3,877,973
Total Liabilities and Fund Balances	\$1,870,773	\$2,684,505	\$751,385	\$5,306,663

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
<u>Revenues:</u>				
Property and Other Local Taxes	\$2,795,334	\$0	\$0	\$2,795,334
Permissive Sales Taxes	250,000	0	0	250,000
Charges for Services	2,484,826	0	0	2,484,826
Licenses and Permits	370,479	0	0	370,479
Fines and Forfeitures	527,948	0	0	527,948
Intergovernmental	12,142,374	0	0	12,142,374
Interest	49,209	25	84,335	133,569
Rent	104,683	74,896	36,456	216,035
Other	118,420	0	0	118,420
Total Revenues	18,843,273	74,921	120,791	19,038,985
<u>Expenditures:</u>				
Current:				
General Government:				
Legislative and Executive	1,323,288	0	0	1,323,288
Judicial	648,714	0	0	648,714
Public Safety	1,738,226	0	0	1,738,226
Public Works	5,222,718	0	0	5,222,718
Health	2,284,545	0	0	2,284,545
Human Services	4,659,440	0	0	4,659,440
Economic Development and Assistance	276,427	0	0	276,427
Capital Outlay	0	0	2,091,637	2,091,637
Intergovernmental	1,033,324	0	0	1,033,324
Debt Service:				
Principal Retirement	40,000	465,549	0	505,549
Interest and Fiscal Charges	4,159	156,560	78,129	238,848
Total Expenditures	17,230,841	622,109	2,169,766	20,022,716
Excess of Revenues Over (Under) Expenditures	1,612,432	(547,188)	(2,048,975)	(983,731)
<u>Other Financing Sources (Uses)</u>				
Bond Anticipation Notes Issued	0	0	3,480,000	3,480,000
Transfers In	244,507	582,408	2,611,770	3,438,685
Transfers Out	(3,434,650)	0	0	(3,434,650)
Total Other Financing Sources (Uses)	(3,190,143)	582,408	6,091,770	3,484,035
Net Change in Fund Balance	(1,577,711)	35,220	4,042,795	2,500,304
Fund Balances (Deficit) at Beginning of Year	9,398,744	54,968	(164,822)	9,288,890
Fund Balances at End of Year	\$7,821,033	\$90,188	\$3,877,973	\$11,789,194

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

	Other Special Revenue	Law Enforcement	Road and Bridge	Emergency 911	Lodging Excise Tax	Motor Vehicle and Gasoline Tax
<u>Revenues:</u>						
Property and Other Local Taxes	\$0	\$0	\$0	\$0	\$295,310	\$0
Permissive Sales Taxes	0	0	250,000	0	0	0
Charges for Services	1,103,151	22,792	0	14,400	0	0
Licenses and Permits	150,709	5,295	0	0	0	214,475
Fines and Forfeitures	1,330	16,037	0	0	0	108,778
Intergovernmental	1,604,007	252,638	0	0	0	4,501,932
Interest	0	0	0	0	0	10,788
Rent	104,683	0	0	0	0	0
Other	86,726	5,740	0	0	0	5,098
Total Revenues	3,050,606	302,502	250,000	14,400	295,310	4,841,071
<u>Expenditures:</u>						
Current:						
General Government:						
Legislative and Executive	1,323,288	0	0	0	0	0
Judicial	349,427	0	0	0	0	0
Public Safety	410,028	305,219	0	323,747	0	0
Public Works	137,297	0	457,051	0	0	4,229,065
Health	178,834	0	0	0	0	0
Human Services	1,420,109	0	0	0	0	0
Economic Development and Assistance	0	0	0	0	276,427	0
Intergovernmental	0	0	0	0	0	0
Debt Service:						
Principal Retirement	0	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0	0
Total Expenditures	3,818,983	305,219	457,051	323,747	276,427	4,229,065
Excess of Revenues Over (Under) Expenditures	(768,377)	(2,717)	(207,051)	(309,347)	18,883	612,006
<u>Other Financing Sources (Uses)</u>						
Transfers In	33,090	69,484	134,453	0	0	0
Transfer Out	0	0	0	0	0	(317,349)
Total Other Financing Sources (Uses)	33,090	69,484	134,453	0	0	(317,349)
Net Change in Fund Balances	(735,287)	66,767	(72,598)	(309,347)	18,883	294,657
Fund Balances (Deficit) at Beginning of Year	2,455,507	261,319	93,742	677,774	330,071	1,497,546
Fund Balances at End of Year	\$1,720,220	\$328,086	\$21,144	\$368,427	\$348,954	\$1,792,203

Juvenile Court	Mental Health	In-Home Care Levy	Children Services	County Courts	Commissioners CDBG	Federal Emergency Management Assistance	Total Nonmajor Special Revenue Funds
\$0	\$818,711	\$1,287,851	\$393,462	\$0	\$0	0	\$2,795,334
0	0	0	0	0	0	0	250,000
463,392	0	0	881,091	0	0	0	2,484,826
0	0	0	0	0	0	0	370,479
0	0	0	0	401,803	0	0	527,948
291,253	160,045	257,782	1,906,851	0	366,257	2,801,609	12,142,374
0	0	0	0	936	37,485	0	49,209
0	0	0	0	0	0	0	104,683
204	0	0	20,652	0	0	0	118,420
<u>754,849</u>	<u>978,756</u>	<u>1,545,633</u>	<u>3,202,056</u>	<u>402,739</u>	<u>403,742</u>	<u>2,801,609</u>	<u>18,843,273</u>
0	0	0	0	0	0	0	1,323,288
0	0	0	0	299,287	0	0	648,714
699,232	0	0	0	0	0	0	1,738,226
0	0	0	0	0	399,305	0	5,222,718
0	0	2,105,711	0	0	0	0	2,284,545
0	0	0	3,239,331	0	0	0	4,659,440
0	0	0	0	0	0	0	276,427
0	975,329	0	0	0	57,995	0	1,033,324
0	0	0	0	40,000	0	0	40,000
0	0	0	0	4,159	0	0	4,159
<u>699,232</u>	<u>975,329</u>	<u>2,105,711</u>	<u>3,239,331</u>	<u>343,446</u>	<u>457,300</u>	<u>0</u>	<u>17,230,841</u>
<u>55,617</u>	<u>3,427</u>	<u>(560,078)</u>	<u>(37,275)</u>	<u>59,293</u>	<u>(53,558)</u>	<u>2,801,609</u>	<u>1,612,432</u>
0	0	0	0	7,480	0	0	244,507
0	0	0	0	0	0	(3,117,301)	(3,434,650)
0	0	0	0	7,480	0	(3,117,301)	(3,190,143)
55,617	3,427	(560,078)	(37,275)	66,773	(53,558)	(315,692)	(1,577,711)
(1,825)	22,109	789,957	620,220	629,215	1,614,321	408,788	9,398,744
<u>\$53,792</u>	<u>\$25,536</u>	<u>\$229,879</u>	<u>\$582,945</u>	<u>\$695,988</u>	<u>\$1,560,763</u>	<u>\$93,096</u>	<u>\$7,821,033</u>

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

	Permanent Improvement	Road and Bridge Improvement and Repair	Satellite Building Construction	Total Nonmajor Capital Projects Funds
<u>Revenues:</u>				
Interest	\$15,657	\$43,432	\$25,246	\$84,335
Rent	0	0	36,456	36,456
Total Revenues	<u>15,657</u>	<u>43,432</u>	<u>61,702</u>	<u>120,791</u>
<u>Expenditures:</u>				
Capital Outlay	143,762	1,937,311	10,564	2,091,637
Debt Service:				
Interest and Fiscal Charges	36,293	0	41,836	78,129
Total Expenditures	<u>180,055</u>	<u>1,937,311</u>	<u>52,400</u>	<u>2,169,766</u>
Excess of Revenues Over (Under) Expenditures	<u>(164,398)</u>	<u>(1,893,879)</u>	<u>9,302</u>	<u>(2,048,975)</u>
<u>Other Financing Sources:</u>				
Bond Anticipation Notes Issued	0	2,000,000	1,480,000	3,480,000
Transfers In	182,896	2,428,874	0	2,611,770
Total Other Financing Sources	<u>182,896</u>	<u>4,428,874</u>	<u>1,480,000</u>	<u>6,091,770</u>
Net Change in Fund Balances	18,498	2,534,995	1,489,302	4,042,795
Fund Balances (Deficit) at Beginning of Year	573,095	0	(737,917)	(164,822)
Fund Balances at End of Year	<u><u>\$591,593</u></u>	<u><u>\$2,534,995</u></u>	<u><u>\$751,385</u></u>	<u><u>\$3,877,973</u></u>

Belmont County, Ohio
Fund Descriptions –
Nonmajor Proprietary Funds

Nonmajor Enterprise Funds:

Enterprise Funds are used to account for any activity for which a fee is charged to external users for goods and services.

Water Works 1 Fund – To account for user charges from the distribution of treated water in the Lansing Valley area. The district contracts with the Village of Bridgeport for water service. The revenue is used for operating expenses.

Sanitary Sewer District 1 Fund – To account for user charges from sanitary sewer service in the Lansing Valley area. The district has its own rate structure and contracts with the City of Bellaire for sewage treatment. Revenue is used for operating expenses.

Sanitary Sewer District 3A Fund – To account for user charges from sanitary sewer service north of St.Clairsville in the Penn Wood Estates Subdivision. The district has its own rate structure and facilities.

Sanitary Sewer District 3B Fund – To account for user charges from sanitary sewer service in the Deep Run area along County Road 2. The district has its own rate structure and contracts with the Village of Yorkville for sewage treatment. Revenue is used for operating expenses.

Sanitary Sewer District 3C Fund – To account for user charges from sanitary sewer service in the Hunters Run area. The district has its own rate structure. Revenue is used for operating expenses.

Water Works 2 Fund – To account for user charges from the distribution of treated water west of Blaine following United States Route 40 to Morristown and also the area of Wheeling Creek. The district contracts with the Water Works 3 for water service. The revenue is used for operating expenses.

Belmont County, Ohio
Combining Statement of Fund Net Assets
Nonmajor Enterprise Funds
December 31, 2005

	Water Works 1	Sanitary Sewer District 1	Sanitary Sewer District 3A	Sanitary Sewer District 3B	Sanitary Sewer District 3C	Water Works 2	Total Nonmajor Enterprise Funds
Assets							
Current Assets:							
Equity in Pooled Cash and Cash Equivalents	\$90,525	\$1,275,809	\$70,412	\$3,958	\$14,163	\$534,600	\$1,989,467
Cash and Cash Equivalents in Segregated Accounts	18,848	0	0	0	0	0	18,848
Accounts Receivable	30,984	8,729	14,354	1,322	0	21,565	76,954
Materials and Supplies Inventory	0	4,112	0	0	0	53,323	57,435
Interfund Receivable	0	147,983	0	6,234	0	212,560	366,777
<i>Total Current Assets</i>	<u>140,357</u>	<u>1,436,633</u>	<u>84,766</u>	<u>11,514</u>	<u>14,163</u>	<u>822,048</u>	<u>2,509,481</u>
Non-Current Assets:							
Restricted Assets:							
Equity in Pooled Cash and Cash Equivalents	0	6,631	10,457	651	0	14,443	32,182
Nondepreciable Capital Assets	16,000	8,500	0	0	0	0	24,500
Depreciable Capital Assets, Net	29,361	10,303	94,778	149,848	29,964	280,157	594,411
<i>Total Non-Current Assets</i>	<u>45,361</u>	<u>25,434</u>	<u>105,235</u>	<u>150,499</u>	<u>29,964</u>	<u>294,600</u>	<u>651,093</u>
<i>Total Assets</i>	<u>185,718</u>	<u>1,462,067</u>	<u>190,001</u>	<u>162,013</u>	<u>44,127</u>	<u>1,116,648</u>	<u>3,160,574</u>
Liabilities							
Current Liabilities:							
Accounts Payable	0	136,767	0	0	0	5,229	141,996
Accrued Wages and Benefits Payable	0	2,571	401	152	0	3,126	6,250
Compensated Absences Payable	0	4,474	503	190	0	5,630	10,797
Interfund Payable	6,986	200,000	0	0	0	48,471	255,457
Intergovernmental Payable	19,714	27,197	432	45	0	5,053	52,441
<i>Total Current Liabilities</i>	<u>26,700</u>	<u>371,009</u>	<u>1,336</u>	<u>387</u>	<u>0</u>	<u>67,509</u>	<u>466,941</u>
Long-Term Liabilities (Net of Current Portion):							
Refundable Deposits	0	6,631	10,457	651	0	14,443	32,182
Compensated Absences Payable	0	6,291	707	268	0	7,916	15,182
<i>Total Long-Term Liabilities</i>	<u>0</u>	<u>12,922</u>	<u>11,164</u>	<u>919</u>	<u>0</u>	<u>22,359</u>	<u>47,364</u>
<i>Total Liabilities</i>	<u>26,700</u>	<u>383,931</u>	<u>12,500</u>	<u>1,306</u>	<u>0</u>	<u>89,868</u>	<u>514,305</u>
Net Assets							
Invested in Capital Assets	45,361	18,803	94,778	149,848	29,964	280,157	618,911
Unrestricted	113,657	1,059,333	82,723	10,859	14,163	746,623	2,027,358
<i>Total Net Assets</i>	<u>\$159,018</u>	<u>\$1,078,136</u>	<u>\$177,501</u>	<u>\$160,707</u>	<u>\$44,127</u>	<u>\$1,026,780</u>	<u>\$2,646,269</u>

Belmont County, Ohio
Combining Statement of Revenues, Expenses,
and Changes in Fund Net Assets
Nonmajor Enterprise Funds
For the Year Ended December 31, 2005

	Water Works 1	Sanitary Sewer District 1	Sanitary Sewer District 3A	Sanitary Sewer District 3B	Sanitary Sewer District 3C	Water Works 2	Total Nonmajor Enterprise Funds
<u>Operating Revenues:</u>							
Charges for Services	\$220,768	\$230,862	\$54,777	\$20,831	\$1,713	\$887,788	\$1,416,739
Other	0	470	8,935	636	0	948	10,989
<i>Total Operating Revenues</i>	<u>220,768</u>	<u>231,332</u>	<u>63,712</u>	<u>21,467</u>	<u>1,713</u>	<u>888,736</u>	<u>1,427,728</u>
<u>Operating Expenses:</u>							
Personal Services	0	104,630	27,448	6,849	0	217,061	355,988
Contractual Services	288,636	388,489	13,915	15,932	0	704,689	1,411,661
Materials and Supplies	0	19,781	4,928	420	0	59,767	84,896
Depreciation	2,790	1,529	7,183	9,990	1,427	19,331	42,250
Other	0	838	443	8,976	0	4,516	14,773
<i>Total Operating Expenses</i>	<u>291,426</u>	<u>515,267</u>	<u>53,917</u>	<u>42,167</u>	<u>1,427</u>	<u>1,005,364</u>	<u>1,909,568</u>
<i>Operating Income (Loss)</i>	(70,658)	(283,935)	9,795	(20,700)	286	(116,628)	(481,840)
<u>Non-Operating Revenues:</u>							
Interest	1,470	37,526	0	0	0	9,291	48,287
<i>Income (Loss) Before Contributions and Transfers</i>	(69,188)	(246,409)	9,795	(20,700)	286	(107,337)	(433,553)
Capital Contributions	410	100	0	0	0	11,722	12,232
Transfers In	0	147,983	0	6,234	0	15,435	169,652
Transfers Out	0	0	0	(9,573)	0	0	(9,573)
<i>Change in Net Assets</i>	(68,778)	(98,326)	9,795	(24,039)	286	(80,180)	(261,242)
<i>Net Assets Beginning of Year</i>	<u>227,796</u>	<u>1,176,462</u>	<u>167,706</u>	<u>184,746</u>	<u>43,841</u>	<u>1,106,960</u>	<u>2,907,511</u>
<i>Net Assets End of Year</i>	<u>\$159,018</u>	<u>\$1,078,136</u>	<u>\$177,501</u>	<u>\$160,707</u>	<u>\$44,127</u>	<u>\$1,026,780</u>	<u>\$2,646,269</u>

Belmont County, Ohio
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2005

	Water Works 1	Sanitary Sewer District 1	Sanitary Sewer District 3A	Sanitary Sewer District 3B	Sanitary Sewer District 3C	Water Works 2	Total Nonmajor Enterprise Funds
Increase (Decrease) in Cash and Cash Equivalents							
Cash Flows from Operating Activities:							
Cash Received from Customers	\$218,155	\$237,408	\$48,750	\$21,934	\$1,713	\$871,659	\$1,399,619
Cash Payments for Employee Services and Benefits	0	(102,587)	(27,042)	(6,752)	0	(218,692)	(355,073)
Cash Payments for Goods and Services	0	(23,645)	(5,632)	(420)	0	(85,440)	(115,137)
Cash Payments for Contractual Services	(309,134)	(228,799)	(13,915)	(15,932)	0	(720,219)	(1,287,999)
Utility Deposits Received	0	1,386	3,416	83	0	2,142	7,027
Utility Deposits Paid	0	(1,176)	(2,245)	(25)	0	(2,165)	(5,611)
Other Operating Revenues	0	470	8,935	636	0	948	10,989
Other Operating Expenses	0	(838)	(443)	(8,976)	0	(4,516)	(14,773)
Net Cash Provided by (Used for) Operating Activities	(90,979)	(117,781)	11,824	(9,452)	1,713	(156,283)	(360,958)
Cash Flows from Noncapital Financing Activities:							
Transfers	0	0	0	0	0	2,875	2,875
Net Cash Provided by (Used for) Noncapital Financing Activities	0	0	0	0	0	2,875	2,875
Cash Flows from Capital and Related Financing Activities:							
Payments for Capital Acquisitions	(16,000)	0	0	0	0	0	(16,000)
Tap-In Fees	410	100	0	0	0	11,722	12,232
Principal Paid on General Obligation Bonds	0	0	0	(9,205)	0	0	(9,205)
Interest Paid on General Obligation Bonds	0	0	0	(368)	0	0	(368)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(15,590)	100	0	(9,573)	0	11,722	(13,341)
Cash Flows from Investing Activities:							
Interest	1,470	37,526	0	0	0	9,291	48,287
Net Cash Provided by Investing Activities	1,470	37,526	0	0	0	9,291	48,287
Net Increase (Decrease) in Cash and Cash Equivalents	(105,099)	(80,155)	11,824	(19,025)	1,713	(132,395)	(323,137)
Cash and Cash Equivalents Beginning of Year	214,472	1,362,595	69,045	23,634	12,450	681,438	2,363,634
Cash and Cash Equivalents End of Year	\$109,373	\$1,282,440	\$80,869	\$4,609	\$14,163	\$549,043	\$2,040,497
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	(\$70,658)	(\$283,935)	\$9,795	(\$20,700)	\$286	(\$116,628)	(\$481,840)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities							
Depreciation	2,790	1,529	7,183	9,990	1,427	19,331	42,250
Changes in Assets and Liabilities:							
(Increase) Decrease in Accounts Receivable	(2,613)	6,546	(6,027)	1,103	0	(16,129)	(17,120)
Increase in Materials and Supplies Inventory	0	(555)	0	0	0	(6,610)	(7,165)
Increase (Decrease) in Accrued Wages and Benefits Payable	0	614	134	48	0	(65)	731
Increase (Decrease) in Accounts Payable	0	131,070	(704)	0	0	(34,663)	95,703
Increase (Decrease) in Compensated Absences Payable	0	1,309	149	43	0	(1,822)	(321)
Increase (Decrease) in Intergovernmental Payable	(22,232)	25,431	123	6	0	256	3,584
Increase in Interfund Payable	1,734	0	0	0	0	70	1,804
Increase (Decrease) in Refundable Deposits Payable	0	210	1,171	58	0	(23)	1,416
Total Adjustments	(20,321)	166,154	2,029	11,248	1,427	(39,655)	120,882
Net Cash Provided by (Used for) Operating Activities	(\$90,979)	(\$117,781)	\$11,824	(\$9,452)	\$1,713	(\$156,283)	(\$360,958)

Noncash Activities:

During 2005, there were transfers between the Federal Emergency Management Assistance fund and the enterprise funds in the amount of \$309,891

Belmont 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:

Health Fund – To account for the funds and subfunds of the Board of Health for which the County Auditor is the ex-officio fiscal agent.

Undivided Bankruptcy Fund – To account for delinquent taxes paid by Penn-Central Railroad which are awaiting distribution to appropriate parties.

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

Subdivision and Utility Fund – To account for taxes, shared revenues, and payments in lieu of taxes distributed to the various subdivisions within the County and County funds.

Undivided State Monies - To account for State revenue from income taxes, sales taxes, corporate franchise taxes and auto license taxes which is distributed to the municipalities, townships and other local governments.

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

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:

- Belmont-Harrison Juvenile District Fund
- Ohio Elections Commission Fund
- Law Library Fund
- Soil and Conservation Special Fund
- Employee's Share Holding Account Fund
- Payroll Deductions Fund
- Mental Health Fund
- Local Emergency Planning Commission Fund
- After Care Program Oakview Rehabilitation Fund
- Americorp Oakview Juvenile Rehabilitation Fund
- Oakview Juvenile Rehabilitation Fund
- Oakview Juvenile Rehabilitation Center Fund
- Escrow Oakview Residential Center Fund
- Housing Trust Fund
- Family and Children First Fund
- Alimony and Child Support Fund
- County Home Resident Trust Fund

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

	Balance 12/31/04	Additions	Reductions	Balance 12/31/05
<i>Health:</i>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$670,975	\$1,554,388	\$1,427,177	\$798,186
Total Assets	\$670,975	\$1,554,388	\$1,427,177	\$798,186
<u>Liabilities:</u>				
Undistributed Monies	\$670,975	\$1,554,388	\$1,427,177	\$798,186
Total Liabilities	\$670,975	\$1,554,388	\$1,427,177	\$798,186
 <i>Undivided Bankruptcy:</i>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$4,918	\$0	\$0	\$4,918
Total Assets	\$4,918	\$0	\$0	\$4,918
<u>Liabilities:</u>				
Undistributed Monies	\$4,918	\$0	\$0	\$4,918
Total Liabilities	\$4,918	\$0	\$0	\$4,918
 <i>Taxes Agency:</i>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,417,999	\$44,647,283	\$44,658,949	\$1,406,333
Receivables:				
Property Taxes	46,359,458	47,564,173	46,359,458	47,564,173
Accounts	817,431	699,385	817,431	699,385
Intergovernmental	492,901	137,229	492,901	137,229
Total Assets	\$49,087,789	\$93,048,070	\$92,328,739	\$49,807,120
<u>Liabilities:</u>				
Intergovernmental Payable	\$47,669,790	\$48,400,787	\$47,669,790	\$48,400,787
Undistributed Monies	1,417,999	44,647,283	44,658,949	1,406,333
Total Liabilities	\$49,087,789	\$93,048,070	\$92,328,739	\$49,807,120

(Continued)

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

	Balance 12/31/04	Additions	Reductions	Balance 12/31/05
<i>Subdivision and Utility Agency:</i>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$85,901	\$34,326,567	\$34,201,076	\$211,392
Receivables:				
Intergovernmental	535,776	639,658	535,776	639,658
Total Assets	\$621,677	\$34,966,225	\$34,736,852	\$851,050
<u>Liabilities:</u>				
Intergovernmental Payable	\$535,776	\$639,658	\$535,776	\$639,658
Undistributed Monies	85,901	34,326,567	34,201,076	211,392
Total Liabilities	\$621,677	\$34,966,225	\$34,736,852	\$851,050
 <i>Undivided State Monies:</i>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$337,702	\$8,739,167	\$8,714,785	\$362,084
Receivables:				
Intergovernmental	3,378,925	3,357,486	3,378,925	3,357,486
Total Assets	\$3,716,627	\$12,096,653	\$12,093,710	\$3,719,570
<u>Liabilities:</u>				
Intergovernmental Payable	\$3,378,925	\$3,357,486	\$3,378,925	\$3,357,486
Undistributed Monies	337,702	8,739,167	8,714,785	362,084
Total Liabilities	\$3,716,627	\$12,096,653	\$12,093,710	\$3,719,570
 <i>Miscellaneous Court/Safety:</i>				
<u>Assets:</u>				
Cash and Cash Equivalents in Segregated Accounts	\$372,057	\$13,471,292	\$13,429,117	\$414,232
Receivables:				
Accounts	1,232,821	1,674,238	1,232,821	1,674,238
Total Assets	\$1,604,878	\$15,145,530	\$14,661,938	\$2,088,470
<u>Liabilities:</u>				
Due To Others	\$287,701	\$359,396	\$287,701	\$359,396
Intergovernmental Payable	240,144	291,199	240,144	291,199
Undistributed Monies	1,077,033	14,494,935	14,134,093	1,437,875
Total Liabilities	\$1,604,878	\$15,145,530	\$14,661,938	\$2,088,470

(Continued)

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

	Balance 12/31/04	Additions	Reductions	Balance 12/31/05
<i>Other Agency:</i>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$3,994,005	\$64,054,138	\$62,419,953	\$5,628,190
Cash and Cash Equivalents in Segregated Accounts	40,908	456,327	483,636	13,599
Total Assets	\$4,034,913	\$64,510,465	\$62,903,589	\$5,641,789
<u>Liabilities:</u>				
Due To Others	\$595,959	\$46,905,690	\$45,786,362	\$1,715,287
Undistributed Monies	3,438,954	17,604,775	17,117,227	3,926,502
Total Liabilities	\$4,034,913	\$64,510,465	\$62,903,589	\$5,641,789
 <i>Total - All Agency Funds:</i>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$6,511,500	\$153,321,543	\$151,421,940	\$8,411,103
Cash and Cash Equivalents in Segregated Accounts	412,965	13,927,619	13,912,753	427,831
Receivables:				
Property Taxes	46,359,458	47,564,173	46,359,458	47,564,173
Accounts	2,050,252	2,373,623	2,050,252	2,373,623
Intergovernmental	4,407,602	4,134,373	4,407,602	4,134,373
Total Assets	\$59,741,777	\$221,321,331	\$218,152,005	\$62,911,103
<u>Liabilities:</u>				
Due To Others	\$883,660	\$47,265,086	\$46,074,063	\$2,074,683
Intergovernmental Payable	51,824,635	52,689,130	51,824,635	52,689,130
Undistributed Monies	7,033,482	121,367,115	120,253,307	8,147,290
Total Liabilities	\$59,741,777	\$221,321,331	\$218,152,005	\$62,911,103

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

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

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$1,950,691	\$1,953,422	\$2,731
Permissive Sales Taxes	11,586,896	12,148,661	561,765
Charges for Services	1,959,343	2,069,177	109,834
Licenses and Permits	6,000	5,931	(69)
Fines and Forfeitures	430,000	361,246	(68,754)
Intergovernmental	1,654,905	1,689,555	34,650
Rent	1,000	7,075	6,075
Interest	1,168,500	1,168,491	(9)
Other	199,789	249,146	49,357
Total Revenues	18,957,124	19,652,704	695,580
<u>Expenditures:</u>			
Current:			
General Government -			
Legislative and Executive			
Commissioners			
Personal Services	593,875	589,527	4,348
Materials and Supplies	212,531	210,693	1,838
Contractual Services	1,440,972	1,429,634	11,338
Capital Outlay	113,752	113,752	0
Total Commissioners	2,361,130	2,343,606	17,524
Auditor			
Personal Services	736,109	734,893	1,216
Materials and Supplies	275,564	275,363	201
Contractual Services	11,000	10,905	95
Capital Outlay	307,743	307,675	68
Total Auditor	1,330,416	1,328,836	1,580
Treasurer			
Personal Services	288,913	288,054	859
Materials and Supplies	19,630	17,831	1,799
Contractual Services	6,931	6,206	725
Total Treasurer	315,474	312,091	3,383
Prosecuting Attorney			
Personal Services	582,159	581,888	271
Materials and Supplies	6,175	5,902	273
Other	5,778	4,240	1,538
Total Prosecuting Attorney	594,112	592,030	2,082
Budget Commission			
Personal Services	5,817	5,790	27
Bureau of Inspection			
Contractual Services	121,150	121,143	7

(Continued)

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

	Final Budget	Actual	Variance Positive (Negative)
Board of Elections			
Personal Services	\$413,304	\$411,126	\$2,178
Materials and Supplies	12,500	11,426	1,074
Contractual Services	122,781	124,129	(1,348)
Total Board of Elections	548,585	546,681	1,904
Maintenance and Operations			
Personal Services	488,589	478,789	9,800
Materials and Supplies	108,694	107,360	1,334
Contractual Services	752,351	737,741	14,610
Capital Outlay	18,160	17,795	365
Total Maintenance and Operations	1,367,794	1,341,685	26,109
Recorder			
Personal Services	275,599	274,723	876
Materials and Supplies	34,938	34,779	159
Contractual Services	103,686	102,075	1,611
Total Recorder	414,223	411,577	2,646
Insurance on Property			
Contractual Service	385,200	384,560	640
Historical Society			
Contractual Services	3,000	3,000	0
Other			
Personal Services	653,083	645,808	7,275
Total General Government - Legislative and Executive	8,099,984	8,036,807	63,177
General Government - Judicial			
Court of Appeals			
Contractual Services	62,415	53,499	8,916
Common Pleas			
Personal Services	401,243	400,705	538
Materials and Supplies	137,699	130,750	6,949
Contractual Services	38,800	31,236	7,564
Other	1,086	1,086	0
Total Common Pleas	578,828	563,777	15,051
Jury Commission			
Personal Services	1,042	842	200
Juvenile Court			
Materials and Supplies	4,346	4,030	316
Contractual Services	1,405	1,306	99
Total Juvenile Court	5,751	5,336	415

(Continued)

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

	Final Budget	Actual	Variance Positive (Negative)
Probate Court			
Personal Services	\$220,117	\$220,117	\$0
Materials and Supplies	2,470	2,470	0
Contractual Services	2,430	2,430	0
Total Probate Court	225,017	225,017	0
Clerk of Courts			
Personal Services	309,821	309,472	349
Materials and Supplies	14,404	12,200	2,204
Contractual Services	200	92	108
Total Clerk of Courts	324,425	321,764	2,661
County Courts			
Personal Services	471,799	471,234	565
Materials and Supplies	53,648	40,888	12,760
Contractual Services	2,175	1,437	738
Total County Courts	527,622	513,559	14,063
Public Defender			
Personal Services	240,854	238,460	2,394
Materials and Supplies	1,664	1,411	253
Contractual Services	188,540	186,022	2,518
Total Public Defender	431,058	425,893	5,165
Law Library			
Personal Services	34,087	33,861	226
Other			
Personal Services	333,249	329,537	3,712
Total General Government - Judicial	2,523,494	2,473,085	50,409
Public Safety			
Juvenile Probation			
Personal Services	727,611	720,554	7,057
Materials and Supplies	1,960	1,960	0
Contractual Services	7,404	7,310	94
Total Juvenile Probation	736,975	729,824	7,151
Coroner			
Personal Services	73,941	73,917	24
Contractual Services	25,000	23,280	1,720
Total Coroner	98,941	97,197	1,744
Sheriff			
Personal Services	3,017,338	2,982,005	35,333
Materials and Supplies	300,023	297,995	2,028
Contractual Services	327,460	327,336	124
Total Sheriff	3,644,821	3,607,336	37,485

(Continued)

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

	Final Budget	Actual	Variance Positive (Negative)
Disaster Services			
Personal Services	\$151,494	\$150,018	\$1,476
Materials and Supplies	22,290	22,250	40
Contractual Services	19,275	19,268	7
Total Disaster Services	193,059	191,536	1,523
911 Services			
Personal Services	582,652	582,305	347
Materials and Supplies	15,350	13,524	1,826
Contractual Services	401,891	359,334	42,557
Total 911 Services	999,893	955,163	44,730
Ambulance Service			
Contractual Services	162,500	205,058	(42,558)
Other			
Personal Services	913,515	903,339	10,176
Total Public Safety	6,749,704	6,689,453	60,251
Public Works			
Engineer			
Personal Services	299,682	298,358	1,324
Materials and Supplies	1,000	966	34
Contractual Services	75,553	75,553	0
Total Engineer	376,235	374,877	1,358
Litter Control and Recycling			
Personal Services	108,472	106,816	1,656
Contractual Services	11,288	10,945	343
Total Litter Control and Recycling	119,760	117,761	1,999
Total Public Works	495,995	492,638	3,357
Health			
Clinics and Care			
Personal Services	41,702	41,259	443
Materials and Supplies	9,800	9,800	0
Contractual Services	350	174	176
Total Clinics and Care	51,852	51,233	619
Vital Statistics			
Materials and Supplies	1,200	1,098	102
Other Health			
Personal Services	8,244	8,152	92
Total Health	61,296	60,483	813
Human Services			
Soldier's Relief			
Personal Services	38,110	37,408	702
Contractual Services	97,900	94,465	3,435
Total Soldier's Relief	136,010	131,873	4,137

(Continued)

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

	Final Budget	Actual	Variance Positive (Negative)
Veteran's Services			
Personal Services	\$132,877	\$132,303	\$574
Materials and Supplies	31,800	31,739	61
Contractual Services	18,740	17,471	1,269
Total Veteran's Services	183,417	181,513	1,904
Other			
Personal Services	31,252	30,904	348
Total Human Services	350,679	344,290	6,389
Other			
Other Expenditures			
Contractual Services	6,344	6,333	11
Other	40,000	2,798	37,202
Total Other	46,344	9,131	37,213
Intergovernmental:			
Contractual Services	1,012,340	1,012,234	106
Debt Service:			
Principal Retirement	500,000	500,000	0
Interest and Fiscal Charges	6,781	6,781	0
Total Debt Service	506,781	506,781	0
Total Expenditures	19,846,617	19,624,902	221,715
Excess of Revenues Over (Under) Expenditures	(889,493)	27,802	917,295
<i>Other Financing Sources (Uses):</i>			
Sale of Assets	137,397	134,948	(2,449)
Advance In	16,000	39,000	23,000
Advance Out	(20,187)	(20,187)	0
Transfers Out	(1,720,907)	(1,718,387)	2,520
Total Other Financing Sources (Uses)	(1,587,697)	(1,564,626)	23,071
Net Change in Fund Balance	(2,477,190)	(1,536,824)	940,366
Fund Balance at Beginning of Year	688,939	688,939	0
Prior Year Encumbrances Appropriated	2,153,775	2,153,775	0
Fund Balance at End of Year	\$365,524	\$1,305,890	\$940,366

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

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Intergovernmental	\$12,092,648	\$11,236,277	(\$856,371)
Other	1,127,428	712,925	(414,503)
Total Revenues	<u>13,220,076</u>	<u>11,949,202</u>	<u>(1,270,874)</u>
<i><u>Expenditures:</u></i>			
Current:			
Human Services			
Public Assistance			
Personal Services	9,172,945	8,596,401	576,544
Materials and Supplies	574,363	486,976	87,387
Contractual Services	2,857,093	1,856,184	1,000,909
Capital Outlay	686,054	606,276	79,778
Other	536,135	484,413	51,722
Total Expenditures	<u>13,826,590</u>	<u>12,030,250</u>	<u>1,796,340</u>
Excess of Revenues Under Expenditures	<u>(606,514)</u>	<u>(81,048)</u>	<u>525,466</u>
<i><u>Other Financing Sources (Uses):</u></i>			
Advances - Out	(60,000)	0	60,000
Transfers In	360,214	358,767	(1,447)
Total Other Financing Sources (Uses)	<u>300,214</u>	<u>358,767</u>	<u>58,553</u>
Net Change in Fund Balance	(306,300)	277,719	584,019
Fund Balance at Beginning of Year	<u>306,300</u>	<u>306,300</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$584,019</u></u>	<u><u>\$584,019</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$4,282,004	\$4,485,763	\$203,759
Charges for Services	50,000	331,731	281,731
Intergovernmental	3,804,625	5,502,390	1,697,765
Other	0	2,505	2,505
Total Revenues	8,136,629	10,322,389	2,185,760
<u>Expenditures:</u>			
Current:			
Health Services			
Mental Retardation			
Personal Services	6,206,761	5,660,761	546,000
Materials and Supplies	1,253,508	931,550	321,958
Contractual Services	2,795,498	2,409,596	385,902
Capital Outlay	425,058	273,159	151,899
Other	392,995	161,570	231,425
Total Expenditures	11,073,820	9,436,636	1,637,184
Excess of Revenues Over (Under) Expenditures	(2,937,191)	885,753	3,822,944
<u>Other Financing Use:</u>			
Transfers Out	(1,000,000)	0	1,000,000
Net Change in Fund Balance	(3,937,191)	885,753	4,822,944
Fund Balance at Beginning of Year	3,614,091	3,614,091	0
Prior Year Encumbrances Appropriated	323,100	323,100	0
Fund Balance at End of Year	\$0	\$4,822,944	\$4,822,944

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<i>Revenues:</i>			
Total Revenues	\$0	\$0	\$0
<i>Expenditures:</i>			
Capital Outlay			
Infrastructure			
Capital Outlay	<u>488,728</u>	<u>0</u>	<u>488,728</u>
Excess of Revenues Over (Under) Expenditures	(488,728)	0	488,728
<i>Other Financing Source:</i>			
Transfers In	<u>0</u>	<u>700,000</u>	<u>700,000</u>
Net Change in Fund Balance	(488,728)	700,000	1,188,728
Fund Balance at Beginning of Year	<u>5,554,472</u>	<u>5,554,472</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$5,065,744</u></u>	<u><u>\$6,254,472</u></u>	<u><u>\$1,188,728</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Park Health Center Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$5,917,334	\$5,981,533	\$64,199
Other Non-Operating Revenue	8,693	8,882	189
Total Revenues	<u>5,926,027</u>	<u>5,990,415</u>	<u>64,388</u>
<i>Expenses:</i>			
Personal Services	3,986,563	3,959,364	27,199
Contractual Services	1,505,194	1,285,124	220,070
Materials and Supplies	435,000	423,151	11,849
Other	49,260	49,206	54
Capital Outlay	123,413	123,413	0
Debt Service:			
Principal Retirement	200,000	200,000	0
Interest and Fiscal Charges	168,158	151,865	16,293
Total Expenses	<u>6,467,588</u>	<u>6,192,123</u>	<u>275,465</u>
Net Change in Fund Equity	(541,561)	(201,708)	339,853
Fund Equity at Beginning of Year	<u>541,561</u>	<u>541,561</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$339,853</u></u>	<u><u>\$339,853</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 2 Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$797,350	\$952,213	\$154,863
Tap-In Fees	2,650	2,650	0
Interest Income	3,805	10,944	7,139
Other Operating Revenue	0	3,901	3,901
Other Non - Operating Revenue	0	1,810	1,810
Bond Anticipation Notes Issued	5,800,000	5,800,000	0
Total Revenues	6,603,805	6,771,518	167,713
<i>Expenses:</i>			
Personal Services	245,980	233,612	12,368
Contractual Services	647,503	405,592	241,911
Materials and Supplies	95,000	41,741	53,259
Other Non-Operating Expenses	9,163	1,136	8,027
Other Operating Expenses	19,013	1,266	17,747
Capital Outlay	242,897	242,897	0
Debt Service:			
Principal Retirement	6,276,572	6,275,795	777
Interest and Fiscal Charges	186,802	141,752	45,050
Total Expenses	7,722,930	7,343,791	379,139
Excess of Revenues Under Expenses	(1,119,125)	(572,273)	546,852
Advances Out	(242,000)	(242,000)	0
Transfers Out	(68,048)	0	68,048
Net Change in Fund Equity	(1,429,173)	(814,273)	614,900
Fund Equity at Beginning of Year	1,432,204	1,432,204	0
Prior Year Encumbrances Appropriated	3,675	3,675	0
Fund Equity at End of Year	\$6,706	\$621,606	\$614,900

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Works 3 Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$2,131,766	\$2,776,418	\$644,652
Tap-In Fees	29,129	29,129	0
Interest Income	1,708	64,583	62,875
Other Operating Revenue	0	1,764	1,764
Other Non - Operating Revenue	0	7,017	7,017
Bond Anticipation Notes Issued	4,130,000	4,130,000	0
Total Revenues	6,292,603	7,008,911	716,308
<i>Expenses:</i>			
Personal Services	845,573	778,019	67,554
Contractual Services	2,369,817	754,643	1,615,174
Materials and Supplies	411,000	308,000	103,000
Other Non-Operating Expenses	34,037	5,580	28,457
Other Operating Expenses	23,872	10,709	13,163
Capital Outlay	1,673,660	1,639,468	34,192
Debt Service:			
Principal Retirement	4,759,240	4,398,991	360,249
Interest and Fiscal Charges	491,119	460,525	30,594
Total Expenses	10,608,318	8,355,935	2,252,383
Excess of Revenues Under Expenses	(4,315,715)	(1,347,024)	2,968,691
Transfers In	149,245	30,084	(119,161)
Transfers Out	(74,806)	0	74,806
Advance In	42,000	242,000	200,000
Net Change in Fund Equity	(4,199,276)	(1,074,940)	3,124,336
Fund Equity at Beginning of Year	4,199,276	4,199,276	0
Prior Year Encumbrances Appropriated	37,671	37,671	0
Fund Equity at End of Year	\$37,671	\$3,162,007	\$3,124,336

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Other Special Revenue Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Charges for Services	\$774,606	\$1,108,692	\$334,086
Licenses and Permits	160,800	157,672	(3,128)
Fines and Forfeitures	1,200	1,330	130
Intergovernmental	1,699,956	2,245,942	545,986
Rent	80,000	104,683	24,683
Other	32,767	86,726	53,959
Total Revenues	2,749,329	3,705,045	955,716
<u>Expenditures:</u>			
Current:			
General Government -			
Legislative and Executive			
Real Estate Assessment			
Personal Services	206,000	162,632	43,368
Materials and Supplies	20,000	0	20,000
Contractual Services	506,588	407,695	98,893
Total Real Estate Assessment	732,588	570,327	162,261
Voters Registration System			
Materials and Supplies	0	641,954	(641,954)
Delinquent Real Estate Tax and Assessment Collection			
Personal Services	81,695	70,572	11,123
Materials and Supplies	4,000	0	4,000
Contractual Services	47,861	33,823	14,038
Other	1,000	0	1,000
Total Delinquent Real Estate Tax and Assessment Collection	134,556	104,395	30,161
Total General Government - Legislative and Executive	867,144	1,316,676	(449,532)
General Government - Judicial			
Certificate of Title Administration			
Personal Services	366,711	340,588	26,123
Materials and Supplies	15,000	5,428	9,572
Contractual Services	18,165	1,341	16,824
Total General Government - Judicial	399,876	347,357	52,519

(Continued)

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

	Final Budget	Actual	Variance Positive (Negative)
Public Safety			
Commissary			
Materials and Supplies	\$110,392	\$66,046	\$44,346
Homeland Security			
Capital Outlay	<u>410,568</u>	<u>385,706</u>	<u>24,862</u>
Total Public Safety	<u>520,960</u>	<u>451,752</u>	<u>69,208</u>
Public Works			
Litter/Recycling/Waste Disposal			
Personal Services	83,128	79,814	3,314
Materials and Supplies	23,008	22,587	421
Contractual Services	<u>46,691</u>	<u>37,129</u>	<u>9,562</u>
Total Litter/Recycling/Waste Disposal	152,827	139,530	13,297
County Emergency Preparedness			
Other	<u>758</u>	<u>540</u>	<u>218</u>
Total Public Works	<u>153,585</u>	<u>140,070</u>	<u>13,515</u>
Health			
Dog and Kennel			
Personal Services	125,796	112,097	13,699
Materials and Supplies	13,050	12,434	616
Contractual Services	<u>31,600</u>	<u>40,012</u>	<u>(8,412)</u>
Total Dog and Kennel	170,446	164,543	5,903
Marriage License			
Contractual Services	<u>12,000</u>	<u>7,082</u>	<u>4,918</u>
Total Health	<u>182,446</u>	<u>171,625</u>	<u>10,821</u>
Human Services			
Child Support Enforcement Agency			
Personal Services	869,608	821,583	48,025
Contractual Services	<u>543,726</u>	<u>436,066</u>	<u>107,660</u>
Total Child Support Enforcement Agency	<u>1,413,334</u>	<u>1,257,649</u>	<u>155,685</u>
Oakview Administration			
Materials and Supplies	<u>145,350</u>	<u>112,396</u>	<u>32,954</u>

(Continued)

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

	Final Budget	Actual	Variance Positive (Negative)
County Home Special Contractual Services	\$8,636	\$5,601	\$3,035
Total Human Services	1,567,320	1,375,646	191,674
Total Expenditures	3,691,331	3,803,126	(111,795)
Excess of Revenues Under Expenditures	(942,002)	(98,081)	843,921
<i>Other Financing Sources (Uses):</i>			
Advances In	20,187	20,187	0
Advances Out	(41,500)	(39,000)	2,500
Transfers In	11,063	33,090	22,027
Transfers Out	(22,132)	0	22,132
Total Other Financing Sources (Uses)	(32,382)	14,277	46,659
Net Change in Fund Balance	(974,384)	(83,804)	890,580
Fund Balance at Beginning of Year	1,856,170	1,856,170	0
Prior Year Encumbrances Appropriated	54,627	54,627	0
Fund Balance at End of Year	\$936,413	\$1,826,993	\$890,580

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

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Charges for Services	\$6,384	\$22,792	\$16,408
Licenses and Permits	5,250	5,295	45
Fines and Forfeitures	0	15,681	15,681
Intergovernmental	221,501	269,424	47,923
Other	<u>14,124</u>	<u>5,740</u>	<u>(8,384)</u>
Total Revenues	<u>247,259</u>	<u>318,932</u>	<u>71,673</u>
<i><u>Expenditures:</u></i>			
Current:			
Public Safety			
Law Enforcement			
Personal Services	287,814	237,335	50,479
Materials and Supplies	34,036	25,528	8,508
Contractual Services	<u>84,466</u>	<u>51,182</u>	<u>33,284</u>
Total Expenditures	<u>406,316</u>	<u>314,045</u>	<u>92,271</u>
Excess of Revenues (Over) Under Expenditures	(159,057)	4,887	163,944
<i><u>Other Financing Sources:</u></i>			
Transfers In	<u>16,499</u>	<u>26,242</u>	<u>9,743</u>
Net Change in Fund Balance	(142,558)	31,129	173,687
Fund Balance at Beginning of Year	261,587	261,587	0
Prior Year Encumbrances Appropriated	<u>16,052</u>	<u>16,052</u>	<u>0</u>
Fund Balance at End of Year	<u>\$135,081</u>	<u>\$308,768</u>	<u>\$173,687</u>

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Permissive Sales Taxes	\$250,000	\$250,000	\$0
<i>Expenditures:</i>			
Current:			
Public Works			
Road and Bridge			
Contractual Services	<u>625,407</u>	<u>604,263</u>	<u>21,144</u>
Excess of Revenues Under Expenditures	(375,407)	(354,263)	21,144
<i>Other Financing Sources:</i>			
Transfers In	<u>134,453</u>	<u>134,453</u>	<u>0</u>
Net Change in Fund Balance	(240,954)	(219,810)	21,144
Fund Balance at Beginning of Year	79,903	79,903	0
Prior Year Encumbrances Appropriated	<u>161,051</u>	<u>161,051</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$21,144</u></u>	<u><u>\$21,144</u></u>

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

	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Charges for Services	\$0	\$14,400	\$14,400
<u>Expenditures:</u>			
Current:			
Public Safety			
911 Emergency			
Contractual Services	112,445	3,436	109,009
Capital Outlay	360,885	342,298	18,587
Other	14,600	9,120	5,480
Total Expenditures	<u>487,930</u>	<u>354,854</u>	<u>133,076</u>
Net Change in Fund Balance	(487,930)	(340,454)	147,476
Fund Balance at Beginning of Year	517,095	517,095	0
Prior Year Encumbrances Appropriated	<u>187,930</u>	<u>187,930</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$217,095</u></u>	<u><u>\$364,571</u></u>	<u><u>\$147,476</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Lodging Excise Tax Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$200,000	\$287,342	\$87,342
<u>Expenditures:</u>			
Current:			
Economic Development and Assistance			
Lodging Excise Tax			
Personal Services	5,831	5,831	0
Contractual Services	280,200	270,862	9,338
Total Expenditures	286,031	276,693	9,338
Net Change in Fund Balance	(86,031)	10,649	96,680
Fund Balance at Beginning of Year	272,960	272,960	0
Prior Year Encumbrances Appropriated	39,000	39,000	0
Fund Balance at End of Year	\$225,929	\$322,609	\$96,680

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Fines and Forfeitures	\$90,000	\$103,594	\$13,594
Intergovernmental	2,204,435	4,362,095	2,157,660
Licenses and Permits	0	214,227	214,227
Interest	0	10,788	10,788
Other	5,098	5,098	0
Total Revenues	2,299,533	4,695,802	2,396,269
<i><u>Expenditures:</u></i>			
Current:			
Public Works			
Motor Vehicle and Gasoline Tax			
Personal Services	2,696,012	2,597,969	98,043
Materials and Supplies	1,613,052	1,529,529	83,523
Contractual Services	504,090	347,111	156,979
Total Expenditures	4,813,154	4,474,609	338,545
Excess of Revenues Over (Under) Expenditures	(2,513,621)	221,193	2,734,814
<i><u>Other Financing Sources (Uses):</u></i>			
Transfers In	2,192,896	0	(2,192,896)
Transfers Out	(317,349)	(317,349)	0
Total Other Financing Sources (Uses)	1,875,547	(317,349)	(2,192,896)
Net Change in Fund Balance	(638,074)	(96,156)	541,918
Fund Balance at Beginning of Year	446,668	446,668	0
Prior Year Encumbrances Appropriated	260,673	260,673	0
Fund Balance at End of Year	\$69,267	\$611,185	\$541,918

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

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Charges for Services	\$420,528	\$463,392	\$42,864
Intergovernmental	273,692	273,692	0
Other	0	204	204
Total Revenues	<u>694,220</u>	<u>737,288</u>	<u>43,068</u>
<u>Expenditures:</u>			
Current:			
Public Safety			
Juvenile Court			
Personal Services	415,606	378,454	37,152
Materials and Supplies	32,052	30,005	2,047
Contractual Services	261,978	258,631	3,347
Capital Outlay	10,212	10,212	0
Other	7,923	7,684	239
Total Expenditures	<u>727,771</u>	<u>684,986</u>	<u>42,785</u>
Net Change in Fund Balance	(33,551)	52,302	85,853
Fund Balance at Beginning of Year	<u>33,632</u>	<u>33,632</u>	<u>0</u>
Fund Balance at End of Year	<u>\$81</u>	<u>\$85,934</u>	<u>\$85,853</u>

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

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Property and Other Local Taxes	\$815,284	\$815,284	\$0
Intergovernmental	<u>160,045</u>	<u>160,045</u>	<u>0</u>
Total Revenues	975,329	975,329	0
<i><u>Expenditures:</u></i>			
Current:			
Intergovernmental			
Contractual Services	<u>975,329</u>	<u>975,329</u>	<u>0</u>
Net Change in Fund Balance	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Property and Other Local Taxes	\$1,042,218	\$1,283,274	\$241,056
Intergovernmental	<u>257,782</u>	<u>257,782</u>	<u>0</u>
Total Revenues	1,300,000	1,541,056	241,056
<i><u>Expenditures:</u></i>			
Current:			
Health			
In Home Care Levy			
Contractual Services	<u>2,100,000</u>	<u>2,063,397</u>	<u>36,603</u>
Net Change in Fund Balance	(800,000)	(522,341)	277,659
Fund Balance at Beginning of Year	796,504	796,504	0
Prior Year Encumbrances Appropriated	<u>100,001</u>	<u>100,001</u>	<u>0</u>
Fund Balance at End of Year	<u>\$96,505</u>	<u>\$374,164</u>	<u>\$277,659</u>

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

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Property and Other Local Taxes	\$290,136	\$391,184	\$101,048
Charges for Services	795,497	881,091	85,594
Intergovernmental	1,716,114	1,962,630	246,516
Other	20,652	20,652	0
Total Revenues	<u>2,822,399</u>	<u>3,255,557</u>	<u>433,158</u>
<u>Expenditures:</u>			
Current:			
Human Services			
Children Services			
Personal Services	802,560	800,522	2,038
Materials and Supplies	281,660	231,787	49,873
Contractual Services	2,454,561	2,221,379	233,182
Total Expenditures	<u>3,538,781</u>	<u>3,253,688</u>	<u>285,093</u>
Net Change in Fund Balance	(716,382)	1,869	718,251
Fund Balance at Beginning of Year	<u>719,333</u>	<u>719,333</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,951</u></u>	<u><u>\$721,202</u></u>	<u><u>\$718,251</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Fines and Forfeitures	\$148,244	\$399,933	\$251,689
Interest	218	936	718
Total Revenues	148,462	400,869	252,407
<i><u>Expenditures:</u></i>			
Current:			
General Government - Judicial County Courts			
Personal Services	214,811	155,604	59,207
Materials and Supplies	281,032	74,179	206,853
Contractual Services	304,522	72,740	231,782
Total County Courts	800,365	302,523	497,842
Debt Service			
Principal Retirement	165,000	145,000	20,000
Interest and Fiscal Charges	2,948	2,948	0
Total Debt Service	167,948	147,948	20,000
Total Expenditures	968,313	450,471	517,842
Excess of Revenues Under Expenditures	(819,851)	(49,602)	770,249
<i><u>Other Financing Sources (Uses):</u></i>			
Bond Anticipation Notes Issued	120,000	120,000	0
Transfers In	7,480	7,480	0
Transfers Out	(23,262)	0	23,262
Total Other Financing Sources (Uses)	104,218	127,480	23,262
Net Change in Fund Balance	(715,633)	77,878	793,511
Fund Balance at Beginning of Year	715,086	715,086	0
Prior Year Encumbrances Appropriated	606	606	0
Fund Balance at End of Year	\$59	\$793,570	\$793,511

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

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Intergovernmental	\$370,642	\$399,305	\$28,663
<i><u>Expenditures:</u></i>			
Current:			
Public Works			
Commissioners CDBG			
Contractual Services	370,642	370,642	0
Net Change in Fund Balance	0	28,663	28,663
Fund Balance at Beginning of Year	26	26	0
Fund Balance at End of Year	\$26	\$28,689	\$28,663

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

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Intergovernmental	\$2,027,982	\$2,708,513	\$680,531
<i><u>Expenditures:</u></i>			
Current:			
Public Works			
Contractual Services	34,598	31,172	3,426
Total Expenditures	34,598	31,172	3,426
Excess of Revenues Over Expenditures	1,993,384	2,677,341	683,957
<i><u>Other Financing Use:</u></i>			
Transfers Out	(2,340,628)	(1,932,959)	407,669
Net Change in Fund Balance	(347,244)	744,382	1,091,626
Fund Balance at Beginning of Year	377,616	377,616	0
Prior Year Encumbrances Appropriated	31,172	31,172	0
Fund Balance at End of Year	<u>\$61,544</u>	<u>\$1,153,170</u>	<u>\$1,091,626</u>

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

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Rent	\$68,655	\$74,896	\$6,241
Interest	0	25	25
Total Revenues	<u>68,655</u>	<u>74,921</u>	<u>6,266</u>
<i>Expenditures:</i>			
Debt Service			
Principal Retirement	546,193	465,549	80,644
Interest and Fiscal Charges	<u>159,587</u>	<u>156,560</u>	<u>3,027</u>
Total Debt Service	<u>705,780</u>	<u>622,109</u>	<u>83,671</u>
Excess of Revenues Under Expenditures	(637,125)	(547,188)	89,937
<i>Other Financing Source:</i>			
Transfers In	<u>582,408</u>	<u>582,408</u>	<u>0</u>
Net Change in Fund Balance	(54,717)	35,220	89,937
Fund Balance at Beginning of Year	<u>54,968</u>	<u>54,968</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$251</u></u>	<u><u>\$90,188</u></u>	<u><u>\$89,937</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Interest	\$2,891	\$14,794	\$11,903
<i><u>Expenditures:</u></i>			
Capital Outlay			
Permanent Improvement			
Contractual Services	549,208	443,762	105,446
Debt Service			
Principal Retirement	1,120,000	1,120,000	0
Interest and Fiscal Charges	26,500	25,787	713
Total Debt Service	1,146,500	1,145,787	713
Total Expenditures	1,695,708	1,589,549	106,159
Excess of Revenues Under Expenditures	(1,692,817)	(1,574,755)	118,062
<i><u>Other Financing Sources (Uses):</u></i>			
Bond Anticipation Notes Issued	960,000	1,260,000	300,000
Transfers In	182,896	182,896	0
Transfers Out	(430,153)	0	430,153
Total Other Financing Sources (Uses)	712,743	1,442,896	730,153
Net Change in Fund Balance	(980,074)	(131,859)	848,215
Fund Balance at Beginning of Year	1,321,031	1,321,031	0
Prior Year Encumbrances Appropriated	380,738	380,738	0
Fund Balance at End of Year	<u>\$721,695</u>	<u>\$1,569,910</u>	<u>\$848,215</u>

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

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Interest	\$0	\$40,869	\$40,869
<i>Expenditures:</i>			
Capital Outlay			
Road and Bridge Improvement and Repair			
Contractual Services	<u>3,900,000</u>	<u>2,613,426</u>	<u>1,286,574</u>
Excess of Revenues Under Expenditures	<u>(3,900,000)</u>	<u>(2,572,557)</u>	<u>1,327,443</u>
<i>Other Financing Sources:</i>			
Bond Anticipation Notes Issued	2,000,000	2,000,000	0
Transfers In	<u>1,900,000</u>	<u>1,900,000</u>	<u>0</u>
Total Other Financing Sources	<u>3,900,000</u>	<u>3,900,000</u>	<u>0</u>
Net Change in Fund Balance	0	1,327,443	1,327,443
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$0</u></u>	<u><u>\$1,327,443</u></u>	<u><u>\$1,327,443</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Satellite Building Construction Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i><u>Revenues:</u></i>			
Rent	\$27,392	\$36,456	\$9,064
Interest	2,252	24,218	21,966
Total Revenues	<u>29,644</u>	<u>60,674</u>	<u>31,030</u>
<i><u>Expenditures:</u></i>			
Capital Outlay			
Satellite Building Construction			
Capital Outlay	<u>182,538</u>	<u>179,064</u>	<u>3,474</u>
Debt Service			
Principal Retirement	1,485,000	1,485,000	0
Interest and Fiscal Charges	<u>47,926</u>	<u>47,405</u>	<u>521</u>
Total Debt Service	<u>1,532,926</u>	<u>1,532,405</u>	<u>521</u>
Total Expenditures	<u>1,715,464</u>	<u>1,711,469</u>	<u>3,995</u>
Excess of Revenues Under Expenditures	(1,685,820)	(1,650,795)	35,025
<i><u>Other Financing Source:</u></i>			
Bond Anticipation Notes Issued	<u>1,480,000</u>	<u>1,480,000</u>	<u>0</u>
Net Change in Fund Balance	(205,820)	(170,795)	35,025
Fund Balance at Beginning of Year	749,312	749,312	0
Prior Year Encumbrances Appropriated	<u>167,502</u>	<u>167,502</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$710,994</u></u>	<u><u>\$746,019</u></u>	<u><u>\$35,025</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Works 1 Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$223,869	\$237,630	\$13,761
Tap-In Fees	410	410	0
Interest Income	0	1,216	1,216
Total Revenues	<u>224,279</u>	<u>239,256</u>	<u>14,977</u>
<i>Expenses:</i>			
Contractual Services	384,428	309,134	75,294
Capital Outlay	16,000	16,000	0
Total Expenses	<u>400,428</u>	<u>325,134</u>	<u>75,294</u>
Net Change in Fund Equity	(176,149)	(85,878)	90,271
Fund Equity at Beginning of Year	137,149	137,149	0
Prior Year Encumbrances Appropriated	<u>39,000</u>	<u>39,000</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$90,271</u></u>	<u><u>\$90,271</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 1 Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$299,900	\$237,408	(\$62,492)
Tap-In Fees	100	100	0
Interest Income	0	35,252	35,252
Other Operating Revenue	0	470	470
Other Non-Operating Revenue	0	1,386	1,386
Total Revenues	300,000	274,616	(25,384)
<i>Expenses:</i>			
Personal Services	114,028	102,587	11,441
Contractual Services	1,473,537	228,799	1,244,738
Materials and Supplies	28,930	23,645	5,285
Other Operating Expenses	21,291	838	20,453
Other Non-Operating Expenses	6,421	1,176	5,245
Total Expenses	1,644,207	357,045	1,287,162
Net Change in Fund Equity	(1,344,207)	(82,429)	1,261,778
Fund Equity at Beginning of Year	1,344,207	1,344,207	0
Prior Year Encumbrances Appropriated	16,423	16,423	0
Fund Equity at End of Year	\$16,423	\$1,278,201	\$1,261,778

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 3A Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$30,000	\$48,750	\$18,750
Other Operating Revenue	0	8,935	8,935
Other Non-Operating Revenue	0	3,416	3,416
Total Revenues	30,000	61,101	31,101
<i>Expenses:</i>			
Personal Services	39,589	27,042	12,547
Contractual Services	23,777	13,915	9,862
Materials and Supplies	7,250	5,632	1,618
Other Non-Operating Expenses	9,286	2,245	7,041
Other Operating Expenses	18,065	443	17,622
Total Expenses	97,967	49,277	48,690
Net Change in Fund Equity	(67,967)	11,824	79,791
Fund Equity at Beginning of Year	67,967	67,967	0
Prior Year Encumbrances Appropriated	1,078	1,078	0
Fund Equity at End of Year	\$1,078	\$80,869	\$79,791

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 3B Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$20,000	\$21,934	\$1,934
Other Operating Revenue	0	636	636
Other Non-Operating Revenue	0	83	83
Total Revenues	20,000	22,653	2,653
<i>Expenses:</i>			
Personal Services	7,826	6,752	1,074
Contractual Services	15,940	15,932	8
Materials and Supplies	420	420	0
Other Non-Operating Expenses	593	25	568
Other Operating Expenses	9,281	8,976	305
Debt Service:			
Principal Retirement	9,205	9,205	0
Interest and Fiscal Charges	368	368	0
Total Expenses	43,633	41,678	1,955
Net Change in Fund Equity	(23,633)	(19,025)	4,608
Fund Equity at Beginning of Year	23,634	23,634	0
Fund Equity at End of Year	\$1	\$4,609	\$4,608

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sanitary Sewer District 3C Fund
For the Year Ended December 31, 2005

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<i>Revenues:</i>			
Charges for Services	\$0	\$1,713	\$1,713
<i>Expenses:</i>			
Total Expenses	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues Over Expenses	0	1,713	1,713
Transfers Out	<u>(12,450)</u>	<u>0</u>	<u>12,450</u>
Net Change in Fund Equity	(12,450)	1,713	14,163
Fund Equity at Beginning of Year	<u>12,450</u>	<u>12,450</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$0</u></u>	<u><u>\$14,163</u></u>	<u><u>\$14,163</u></u>

Belmont County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Works 2 Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
<i>Revenues:</i>			
Charges for Services	\$787,278	\$871,659	\$84,381
Tap-In Fees	11,722	11,722	0
Interest Income	0	8,728	8,728
Other Operating Revenue	0	948	948
Other Non-Operating Revenue	0	2,142	2,142
Total Revenues	799,000	895,199	96,199
<i>Expenses:</i>			
Personal Services	222,626	218,692	3,934
Contractual Services	1,126,653	720,219	406,434
Materials and Supplies	90,130	86,002	4,128
Other Non-Operating Expenses	14,466	2,165	12,301
Other Operating Expenses	7,090	4,516	2,574
Total Expenses	1,460,965	1,031,594	429,371
Excess of Revenues Under Expenses	(661,965)	(136,395)	525,570
Transfers In	0	2,875	2,875
Net Change in Fund Equity	(661,965)	(133,520)	528,445
Fund Equity at Beginning of Year	661,965	661,965	0
Prior Year Encumbrances Appropriated	18,986	18,986	0
Fund Equity at End of Year	\$18,986	\$547,431	\$528,445

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Statistical Section

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Statistical Section

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

Table 1

S-2

Belmont County, Ohio
General Governmental Expenditures By Function (1)
Last Ten Years

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
General Government:				
Legislative and Executive	\$7,653,603	\$7,113,814	\$6,083,730	\$6,169,257
Judicial	3,013,839	2,797,453	2,788,251	3,087,798
Public Safety	8,269,243	7,774,516	6,776,390	6,990,082
Public Works	5,646,102	6,132,243	5,558,015	5,259,793
Health	11,180,541	10,379,494	9,490,942	9,350,695
Human Services	17,061,773	14,047,293	14,669,348	16,025,186
Economic Development and Assistance	276,427	333,973	199,388	214,004
Other	9,131	11,634	7,385	70,599
Capital Outlay	2,110,006	778,671	1,396,148	2,594,580
Intergovernmental	2,045,558	1,957,473	1,951,735	1,299,529
Debt Service	<u>1,318,859</u>	<u>2,739,536</u>	<u>1,331,280</u>	<u>821,229</u>
Total Expenditures	<u><u>\$58,585,082</u></u>	<u><u>\$54,066,100</u></u>	<u><u>\$50,252,612</u></u>	<u><u>\$51,882,752</u></u>

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: Belmont County Auditor's Office

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$6,176,145	\$5,983,187	\$5,670,302	\$5,331,289	\$5,318,874	\$4,233,017
3,175,540	2,428,572	2,505,053	2,111,035	1,805,575	1,775,612
6,155,662	6,535,237	8,063,661	7,652,682	4,394,773	3,040,812
5,347,480	5,154,302	5,306,216	4,707,255	3,986,521	5,591,739
8,993,243	8,622,523	6,895,673	6,277,363	6,172,397	5,957,070
17,411,734	16,930,171	14,649,887	13,303,681	11,453,123	10,744,011
185,988	236,848	250,420	135,190	133,314	164,728
154,725	12,877	10,005	8,887	3,577	20
3,360,123	1,388,064	3,159,859	2,317,852	1,505,552	4,061,488
1,598,577	1,502,824	1,445,760	1,355,458	1,675,489	1,621,641
<u>953,177</u>	<u>871,509</u>	<u>842,626</u>	<u>799,499</u>	<u>663,858</u>	<u>596,900</u>
<u><u>\$53,512,394</u></u>	<u><u>\$49,666,114</u></u>	<u><u>\$48,799,462</u></u>	<u><u>\$44,000,191</u></u>	<u><u>\$37,113,053</u></u>	<u><u>\$37,787,038</u></u>

Belmont County, Ohio
General Governmental Revenues By Source (1)
Last Ten Years

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Property and Other Local Taxes	\$9,255,773	\$9,227,401	\$8,747,834	\$8,452,976
Permissive Sales Taxes	12,067,903	11,870,097	11,551,273	12,164,190
Charges for Services	4,903,667	4,364,601	4,416,547	3,753,785
Licenses and Permits	376,410	402,889	400,212	166,680
Fines and Forfeitures	893,160	834,747	1,057,787	1,524,680
Intergovernmental	29,702,720	24,573,546	22,990,980	26,462,580
Interest	1,348,901	811,192	745,299	1,076,950
Rent	223,110	220,373	238,072	259,601
Other	<u>1,082,996</u>	<u>494,267</u>	<u>436,823</u>	<u>2,008,539</u>
Total Revenues	<u><u>\$59,854,640</u></u>	<u><u>\$52,799,113</u></u>	<u><u>\$50,584,827</u></u>	<u><u>\$55,869,981</u></u>

(1) Includes General, Special Revenue, Debt Service, and Capital Projects Funds.

Source: Belmont County Auditor's Office

<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
\$9,176,273	\$8,679,961	\$6,995,841	\$6,689,018	\$5,692,443	\$5,766,745
11,073,479	10,439,029	10,292,926	9,766,722	9,204,245	8,302,678
3,648,773	3,586,695	3,663,224	3,078,449	2,840,054	2,152,391
173,455	136,912	142,019	152,337	145,325	139,813
1,422,726	1,275,964	1,224,914	1,154,692	976,711	911,911
23,882,811	24,059,626	21,881,140	20,386,557	18,691,589	20,264,428
1,886,106	2,020,048	1,561,873	1,751,121	1,286,800	1,188,495
289,567	252,975	257,121	245,020	247,046	263,838
<u>1,515,250</u>	<u>1,522,666</u>	<u>990,546</u>	<u>1,970,078</u>	<u>911,018</u>	<u>362,601</u>
<u><u>\$53,068,440</u></u>	<u><u>\$51,973,876</u></u>	<u><u>\$47,009,604</u></u>	<u><u>\$45,193,994</u></u>	<u><u>\$39,995,231</u></u>	<u><u>\$39,352,900</u></u>

Belmont County, Ohio
Property Tax Levies and Collections - Real and Public Utility Property (3)
Last Ten Years

Year	Total Tax Levy (1)	Current Collections (1)	Percent of Levy Collected	Delinquent Collections (2)	Total Collections
1996	\$34,041,204	\$33,087,175	97.20%	\$1,060,402	\$34,147,577
1997	34,068,776	33,078,044	97.09%	1,070,874	34,148,918
1998	38,448,779	37,330,400	97.09%	1,190,046	38,520,446
1999	39,384,547	38,294,932	97.23%	1,051,179	39,346,111
2000	42,286,772	40,587,605	95.98%	1,158,495	41,746,100
2001	9,721,745	9,186,513	94.49%	332,100	9,518,613
2002	9,794,443	9,434,055	96.32%	352,302	9,786,357
2003	9,891,808	9,227,415	93.28%	357,100	9,584,515
2004	9,948,496	9,556,064	96.06%	363,475	9,919,539
2005	10,608,698	9,592,651	90.42%	373,894	9,966,545

(1) Includes rollback and homestead

(2) Includes amounts collected from penalties, interest, and other additional delinquent collections

(3) Includes penalties, interest and other additional delinquent charges.

(4) 1996-2000 include all levies and collections for the subdivisions and the County.

2001, 2002, 2003, 2004 and 2005 include levies and collections for the County's share only.

Source: Belmont County Auditor's Office

Percent of Total Collections to Tax Levy	Outstanding Delinquent Taxes (3)	Percent of Delinquent Taxes to Tax Levy
100.31%	\$1,505,402	4.42%
100.24%	1,487,328	4.37%
100.19%	1,546,811	4.02%
99.90%	1,697,148	4.31%
98.72%	1,940,512	4.59%
97.91%	2,057,646	21.17%
99.92%	1,001,989	10.23%
96.89%	1,066,045	10.78%
99.71%	927,339	9.32%
93.95%	1,016,047	9.58%

Belmont County, Ohio
Property Tax Levies and Collections - Tangible Personal Property (2)
Last Ten Years

Year	Total Tax Levy	Current Collections	Percent of Levy Collected	Delinquent Collections (1)	Total Collections
1996	\$3,487,688	\$3,252,554	93.26%	\$606,567	\$3,859,121
1997	3,566,358	3,510,297	98.43%	110,708	3,621,005
1998	4,096,218	4,329,467	105.69%	169,885	4,499,352
1999	4,719,682	4,656,202	98.65%	250,429	4,906,631
2000	5,229,654	5,034,395	96.27%	143,993	5,178,388
2001	1,557,250	1,385,211	88.95%	152,386	1,537,597
2002	1,575,455	1,178,661	74.81%	138,622	1,317,283
2003	1,378,708	1,057,083	76.67%	242,463	1,299,546
2004	1,400,481	1,351,882	96.53%	268,397	1,620,279
2005	1,499,605	1,364,339	90.98%	179,753	1,544,092

(1) Includes amounts collected from penalties, interest, and other additional delinquent collections

(2) 1996-2000 include all levies and collections for the subdivisions and the County.

2001, 2002, 2003, 2004 and 2005 include levies and collections for the County's share only.

Source: Belmont County Auditor's Office

<u>Percent of Total Collections to Tax Levy (1)</u>	<u>Outstanding Delinquent Taxes (1)</u>	<u>Percent of Delinquent Taxes to Tax Levy</u>
110.65%	\$743,562	21.32%
101.53%	677,161	18.99%
109.84%	301,018	7.35%
103.96%	383,744	8.13%
99.02%	457,116	8.74%
98.74%	349,590	22.45%
83.61%	285,360	18.11%
94.26%	98,203	7.12%
115.69%	87,157	6.22%
102.97%	81,185	5.41%

Belmont County, Ohio
Assessed and Estimated Actual Values of Taxable Property
Last Ten Years

Year	Real Property (1)		Tangible Personal Property	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1996	\$486,543,620	\$1,390,124,629	\$65,564,600	\$262,258,400
1997	493,371,210	1,409,632,028	70,189,570	280,758,280
1998	555,310,820	1,586,602,343	71,480,220	285,920,880
1999	568,328,790	1,623,797,057	79,367,420	317,468,680
2000	583,110,030	1,666,028,658	90,798,660	363,194,640
2001	704,474,270	2,012,783,600	95,346,660	381,386,640
2002	709,742,280	2,027,835,086	105,868,250	423,473,000
2003	776,709,180	2,047,993,285	99,906,349	400,520,000
2004	787,861,230	2,251,032,086	103,205,611	412,822,444
2005	801,971,470	2,291,347,057	101,326,000	445,042,740

(1) Real Property Values Include Public Utility Real Property

Source: Belmont County Auditor's Office

Public Utility Tangible Personal		Total		Assessed Value Ratio
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
\$130,929,170	\$130,929,170	\$683,037,390	\$1,783,312,199	38.30%
121,078,420	137,589,113	684,639,200	1,827,979,421	37.45%
119,186,700	135,439,432	745,977,740	2,007,962,655	37.15%
120,635,400	137,085,682	768,331,610	2,078,351,419	36.97%
116,235,780	126,227,932	790,144,470	2,155,451,230	36.66%
118,483,570	134,640,400	918,304,500	2,528,810,640	36.31%
71,462,320	81,207,181	887,072,850	2,532,515,267	35.03%
70,943,740	80,423,568	947,559,269	2,528,936,853	37.47%
71,960,900	82,035,426	963,027,741	2,745,889,956	35.07%
71,292,490	81,014,193	974,589,960	2,817,403,990	34.59%

Belmont County, Ohio
Property Tax Rates - Direct and Overlapping Governments (1)
Per Thousand Dollars of Assessed Value
Last Ten Years

County Units	1996	1997	1998	1999
General Fund	\$2.30	\$2.30	\$2.30	\$2.30
Mental Health	1.50	1.50	1.50	1.50
Mental Retardation	4.50	4.50	4.50	7.00
Child Welfare	1.00	1.00	1.00	1.00
Senior Citizens Services	1.00	1.00	2.00	2.00
Total County Units	\$10.30	\$10.30	\$11.30	\$13.80
School Districts Wholly within County				
Barnesville	\$43.90	\$43.90	\$43.90	\$42.80
Bellaire	35.45	35.45	35.45	36.78
Bridgeport	41.35	41.35	41.35	41.35
Martins Ferry	39.70	39.45	39.45	39.45
Shadyside	34.40	34.40	34.40	34.40
St. Clairsville-Richland	34.20	34.20	34.20	34.20
Union Local	40.08	40.08	40.05	40.05
School Districts Partially within County				
Buckeye Local (1)	32.85	32.85	32.85	32.85
Harrison Hills	39.70	39.70	39.70	39.70
Switzerland of Ohio	35.40	37.90	37.90	37.90
Joint Vocational School Districts				
Belmont Career Center	1.95	1.95	1.95	1.95
Buckeye Local	1.00	1.00	1.00	1.00
Corporations				
Barnesville	4.00	4.00	4.00	4.00
Bellaire	5.60	5.60	5.60	5.60
Belmont	12.55	12.55	12.55	12.55
Bethesda	10.55	10.55	14.05	14.05
Bridgeport	15.75	15.75	15.75	15.75
Brookside	8.75	8.75	8.75	8.75
Fairview	7.70	7.70	7.70	7.70
Flushing	11.85	11.85	11.85	11.85
Holloway	15.25	15.25	15.25	15.25
Martins Ferry	7.60	7.60	7.60	7.60
Morristown	4.05	6.05	6.05	6.05
Powhatan	8.00	8.00	8.00	8.00
Shadyside	16.35	18.35	18.35	18.35
St. Clairsville	12.35	12.35	12.35	12.35
Wilson	6.40	6.40	6.40	6.40
Yorkville	11.70	11.70	11.70	11.70
Townships				
Colerain	2.70	2.70	2.70	2.70
Flushing	2.70	2.70	2.70	2.70
Goshen	5.30	5.30	5.30	5.30
Kirkwood	5.25	5.25	5.25	5.25
Mead	4.40	4.40	4.40	4.40
Pease	2.60	2.60	2.60	2.60
Pultney	7.55	7.55	7.55	7.55
Richland	6.65	6.65	8.65	8.65
Smith	6.05	6.05	6.05	6.05
Somerset	6.10	6.10	6.10	6.10
Union	5.20	7.20	7.20	7.20
Warren	4.80	4.80	4.80	4.80
Washington	4.40	4.40	4.40	4.40
Wayne	5.00	5.00	5.00	5.00
Wheeling	6.15	6.15	6.15	6.15
York	5.30	5.30	5.30	5.30
Special Districts				
Bellaire LSD FD #1	3.50	3.50	3.50	3.50
Bridgeport EVSD FD #1 (Colerain)	3.50	3.50	3.50	3.50
Bridgeport EVSD FD #1 (Pease)	3.50	3.50	3.50	3.50
Bridgeport EVSD FD #2	4.50	4.50	4.50	4.50
Bridgeport EVSD HV FD #3 (Colerain)	3.00	3.00	3.00	3.00
Bridgeport EVSD HV FD #3 (Pease)	3.00	3.00	3.00	3.00
Buckeye LSD FR #2	4.50	4.50	4.50	4.50
Buckeye LSD Hill Valley FD #3	3.00	3.00	3.00	3.00
Martins Ferry CSD FD #2	4.50	4.25	4.50	4.50
Martins Ferry CSD HV FD #3 (Colerain)	3.00	2.75	3.00	3.00
Martins Ferry CSD HV FD #2 (Pease)	3.00	2.75	3.00	3.00
Bridgeport EVSD Barton Crescent FD #5	4.00	4.00	4.00	4.00
Martins Ferry CSD Barton Crescent FD #5	4.00	3.75	4.00	4.00
St. Clairsville-Richland CSD Crescent FD #5	4.00	4.00	4.00	4.00
Bridgeport EVSD Brookside FD #6	4.00	4.00	4.00	4.00

(1) Includes Bond Rates

Source: Belmont County Auditor's Office

2000	2001	2002	2003	2004	2005
\$2.30	\$2.30	\$2.30	\$2.30	\$2.30	\$2.30
1.50	1.50	1.50	1.50	1.50	1.50
7.00	7.00	7.00	7.00	7.00	7.00
1.00	1.00	1.00	1.00	1.00	1.00
2.00	2.00	2.00	2.00	2.00	2.00
<u>\$13.80</u>	<u>\$13.80</u>	<u>\$13.80</u>	<u>\$13.80</u>	<u>\$13.80</u>	<u>\$13.80</u>
\$46.60	\$46.10	\$46.10	\$46.10	\$45.65	\$46.10
36.78	36.28	36.28	36.28	36.28	36.28
41.35	40.85	40.85	40.85	40.85	40.85
39.45	38.95	38.95	38.95	38.95	38.95
38.90	38.40	38.40	38.40	38.40	38.40
34.20	33.70	36.64	36.64	36.64	36.64
35.05	33.95	33.95	33.95	33.95	33.95
32.85	32.00	32.00	32.00	32.00	32.10
39.70	39.20	39.20	39.20	39.20	39.20
37.90	37.90	37.90	37.90	37.90	37.90
1.45	1.45	1.45	1.45	1.45	1.45
1.50	1.50	1.50	1.50	1.50	1.50
4.00	4.00	4.00	4.00	4.00	4.00
5.60	5.60	5.60	8.10	5.60	8.10
12.55	12.55	12.55	12.55	12.55	12.55
14.05	13.55	13.55	13.55	13.55	13.55
14.25	14.25	14.25	14.25	14.25	14.25
11.75	11.75	11.75	11.75	11.75	11.75
7.70	7.70	7.70	7.70	7.70	7.70
11.85	16.85	16.85	14.85	16.85	14.85
20.75	20.75	20.75	20.75	20.75	20.75
8.60	8.60	8.60	8.60	8.60	8.60
6.05	6.05	6.05	6.05	6.05	6.05
8.00	8.00	8.00	8.00	8.00	8.00
20.85	20.85	20.85	20.85	20.85	20.85
12.35	12.35	12.35	12.35	12.35	12.35
6.40	6.40	6.40	6.40	6.40	6.40
11.70	11.20	11.20	11.20	11.20	11.20
2.70	2.70	2.70	2.70	2.70	2.70
4.70	4.70	4.70	4.70	4.70	4.70
5.30	5.30	5.30	7.30	5.30	7.30
5.25	5.25	5.25	5.25	5.25	5.25
4.40	4.40	4.40	4.40	4.40	4.40
2.60	2.60	2.60	2.60	2.60	2.60
7.55	7.55	7.55	7.55	7.55	7.55
7.20	7.20	7.20	7.00	7.20	7.20
7.60	7.60	7.60	7.60	7.60	7.60
6.10	6.10	6.10	6.10	6.10	6.10
7.20	7.20	7.20	7.20	7.20	7.20
4.80	4.80	4.80	4.80	4.80	4.80
4.40	4.40	4.40	4.40	4.40	4.40
5.00	5.00	5.00	5.00	5.00	5.00
6.15	6.15	6.15	6.15	6.15	6.15
5.30	5.30	5.30	7.30	5.30	5.30
3.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00	3.00
4.50	4.50	4.50	4.50	4.50	4.50
3.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00	3.00
4.50	4.50	4.50	4.50	4.50	4.50
3.00	3.00	3.00	3.00	3.00	3.00
4.50	4.50	4.50	4.50	4.50	4.50
3.00	3.00	3.00	3.00	3.00	3.00
3.00	3.00	3.00	3.00	3.00	3.00
4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00
4.00	4.00	4.00	4.00	4.00	4.00

Belmont County, Ohio
 Ratio of Net General Obligation Bonded Debt to Assessed Value and
 Net General Obligation Bonded Debt Per Capita
 Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Assessed Value of County</u>	<u>Gross General Obligation Bonded Debt (1)</u>	<u>Debt Service Fund</u>
1996	70,022	\$683,037,390	\$5,880,000	\$256,516
1997	69,595	684,639,200	5,620,000	235,418
1998	69,175	745,977,740	5,504,940	229,788
1999	71,259	768,331,610	5,180,747	172,872
2000	70,226	790,144,470	4,845,054	125,698
2001	70,226	918,304,500	4,497,798	76,361
2002	70,226	887,072,500	4,137,142	26,882
2003	70,226	947,559,269	3,855,000	25,733
2004	70,226	963,027,741	3,485,000	54,968
2005	70,226	974,589,960	3,105,000	90,188

(1) Includes all general obligation bonds payable from property taxes, rental income, court fines and fees and 1.5% sales and use tax.

Source: Belmont County Auditor's Office

<u>Net General Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
\$5,623,484	0.82%	80.32
5,384,582	0.79%	77.37
5,275,152	0.71%	76.26
5,007,875	0.65%	70.28
4,719,356	0.60%	67.20
4,421,437	0.48%	62.96
4,110,260	0.46%	58.53
3,829,267	0.40%	54.53
3,430,032	0.36%	48.84
3,014,812	0.31%	42.93

Belmont County
Computation of Legal Debt Margin
December 31, 2005

	Total Debt Limit (1)	Total Unvoted Limit (2)
	<u> </u>	<u> </u>
Total Assessed Property Value for 2005 Collections	\$974,589,960	\$974,589,960
Debt Limitation of Assessed Value	<u>20,676,821</u>	<u>9,745,900</u>
Outstanding Debt at December 31, 2005:		
General Obligation Bonds Payable	7,020,000	7,020,000
Rural Industrial Park Loan	314,451	314,451
Mortgage Revenue Bonds Payable	6,828,000	6,828,000
OWDA Loans	31,835	31,835
Notes Payable	<u>14,790,000</u>	<u>14,790,000</u>
Total Outstanding Debt at December 31, 2005	<u>28,984,286</u>	<u>28,984,286</u>
Less:		
General Obligation Bonds for Jail Construction	2,945,000	2,945,000
General Obligation Bonds Payable from Rental Revenues	160,000	160,000
General Obligation Bonds Payable from Enterprise Revenues	3,915,000	3,915,000
Rural Industrial Park Loan Payable from Sale of Land	314,451	314,451
Mortgage Revenue Bonds Payable from Enterprise Revenues	6,828,000	6,828,000
OWDA Loans Payable from Enterprise Fund Revenues	31,835	31,835
County Engineer Building Improvement Notes Payable	960,000	960,000
Emergency Operations Center Notes Payable	300,000	300,000
Common Pleas Court Computer Notes Payable from Fines and Fees	120,000	120,000
Satellite Building Notes Payable	1,480,000	1,480,000
Road and Bridge Improvement Repair Notes Payable	2,000,000	2,000,000
Notes Payable from Enterprise Fund Revenues	<u>9,930,000</u>	<u>9,930,000</u>
Total Self-Supporting Debt	<u>28,984,286</u>	<u>28,984,286</u>
Amount Available in Debt Service Fund	<u>90,188</u>	<u>90,188</u>
Net Debt Applicable to Debt Limitation	<u>0</u>	<u>0</u>
Total Legal Debt Margin	<u>\$20,676,821</u>	<u>\$9,745,900</u>

(1) Debt Limit is a total of 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.

(2) Debt limit is one percent of total assessed valuation.

Source: Belmont County Auditor's Office

Belmont County, Ohio
 Computation of Direct and Overlapping General Obligation Bonded Debt
 December 31, 2005

Jurisdiction	Debt Outstanding (1)	Percentage Applicable to Belmont County	Amount Applicable to Belmont County
Belmont County	\$3,105,000	100%	\$3,105,000
School Districts wholly within the County	31,116,111	100%	31,116,111
Buckeye Local School District	3,401,897	10%	<u>340,190</u>
Total			<u><u>\$34,561,301</u></u>

(1) Amount includes County general obligation bonds payable from property taxes, rental income and 1.5% sales and use tax.

Source: Belmont County Auditor's Office

Table 10

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Belmont County, Ohio
 Ratio of Annual Debt Service Expenditures for General Obligation
 Debt to Total General Governmental Expenditures
 Last Ten Years

Year	Principal	Interest and Fiscal Charges	Total Interest and Principal (1)	Total General Governmental Expenditures (From Table 1)	Ratio of General Long-Term Debt Expenditures to Total General Governmental Expenditures
1996	\$175,000	\$149,335	\$324,335	\$37,787,038	0.86%
1997	260,000	143,472	403,472	37,113,053	1.09%
1998	280,558	283,891	564,449	44,000,191	1.28%
1999	324,193	277,101	601,294	48,799,462	1.23%
2000	335,693	264,206	599,899	49,666,114	1.21%
2001	347,256	250,819	598,075	53,512,394	1.12%
2002	359,884	236,206	596,090	51,882,752	1.15%
2003	335,000	218,463	553,463	50,252,612	1.10%
2004	370,000	163,022	533,022	54,066,100	0.99%
2005	380,000	153,172	533,172	58,585,082	0.91%

(1) Includes only general obligation bonds payable from property taxes, rental income, court fines and fees, and 1.5% sales and use tax.

Source: Belmont County Auditor's Office

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Belmont County, Ohio
Revenue Bond Coverage - Sanitary Sewer District 1
Last Ten Years

Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service
1996	\$301,476	\$313,199	(\$11,723)
1997	328,940	271,953	56,987
1998	358,452	242,251	116,201
1999	344,552	239,665	104,887
2000	369,662	230,828	138,834
2001	287,410	259,931	27,479
2002	299,041	318,929	(19,888)
2003	270,451	312,453	(42,002)
2004	254,301	345,901	(91,600)
2005	231,332	513,738	(282,406)

(1) Total revenues (including interest) exclusive of tap fees.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only.

Source: Belmont County Auditor's Office

Debt Service Requirements (3)				
<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total</u>	<u>Coverage</u>	
\$0	\$0	\$0	0.00	
0	8,686	8,686	6.56	
0	8,019	8,019	14.49	
30,000	11,434	41,434	2.53	
31,000	11,698	42,698	3.25	
32,000	5,008	37,008	0.74	
35,000	7,618	42,618	-0.47	
35,000	1,909	36,909	-1.14	
10,000	2,655	12,655	-7.24	
0	0	0	N/A	

Belmont County, Ohio
Revenue Bond Coverage - Water Works 3
Last Ten Years

Year	Gross Revenue (1)	Operating Expenses (2)	Net Revenue Available for Debt Service
1996	\$2,502,699	\$1,711,353	\$791,346
1997	2,735,679	1,475,516	1,260,163
1998	2,587,543	1,376,996	1,210,547
1999	2,671,283	1,314,061	1,357,222
2000	2,977,736	1,243,926	1,733,810
2001	2,906,410	1,253,068	1,653,342
2002	2,894,230	1,514,264	1,379,966
2003	3,036,623	1,474,994	1,561,629
2004	2,817,895	1,619,027	1,198,868
2005	2,756,130	1,816,327	939,803

(1) Total revenues (including interest) exclusive of tap fees.

(2) Total operating expenses exclusive of depreciation.

(3) Includes principal and interest of revenue bonds only.

Source: Belmont County Auditor's Office

<u>Debt Service Requirements (3)</u>			
<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total</u>	<u>Coverage</u>
\$65,000	\$81,860	\$146,860	5.39
16,000	167,691	183,691	6.86
228,000	418,889	646,889	1.87
99,000	426,017	525,017	2.59
213,000	428,544	641,544	2.70
88,000	405,084	493,084	3.35
248,000	404,962	652,962	2.11
100,000	368,628	468,628	3.33
407,000	385,005	792,005	1.51
91,000	359,801	450,801	2.08

Belmont County, Ohio
Demographic Statistics
Last Ten Years

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>Per Capita Income</u>	<u>Household Size</u>	<u>County Unemployment</u>
1996	70,022	37.90	\$16,510	2.70	6.40%
1997	69,595	37.90	16,510	2.49	7.30%
1998	69,175	37.90	17,703	2.48	5.40%
1999	71,259	37.90	18,343	2.48	5.50%
2000	70,226	37.90	18,343	2.48	4.80%
2001	70,226	37.90	18,343	2.48	4.30%
2002	70,226	40.90	16,221	2.37	5.80%
2003	70,226	40.90	16,221	2.37	5.50%
2004	70,226	40.90	16,221	2.37	6.40%
2005	70,226	40.90	16,221	2.37	5.50%

Sources: Ohio Bureau of Employment Services
Belmont County Board of Education
Strategic Research
U.S. Census
Labor Market Information
Regional Economic Information System

<u>State Unemployment</u>	<u>United States Unemployment</u>	<u>Average K-12 School Enrollment</u>
5.40%	4.90%	10,117
4.60%	4.90%	10,134
4.30%	4.50%	9,951
4.20%	4.20%	9,744
3.70%	3.70%	9,645
4.50%	5.40%	9,309
5.00%	5.70%	9,289
6.10%	6.00%	9,267
5.50%	5.10%	9,254
5.60%	4.60%	9,239

Belmont County, Ohio
New Construction, Bank Deposits, and Real Property Values
Last Ten Years

Year	New Construction (1)			(2) Bank Deposits in Thousands
	Agricultural/ Residential	Commercial/ Industrial	Total	
1996	\$5,513,500	\$2,405,220	\$7,918,720	\$965,226
1997	4,903,000	3,549,160	8,452,160	993,590
1998	5,733,900	8,825,390	14,559,290	1,023,809
1999	7,640,740	5,892,480	13,533,220	1,036,622
2000	9,938,440	4,055,260	13,993,700	1,062,758
2001	11,204,300	3,981,400	15,185,700	1,106,567
2002	5,897,970	2,175,100	8,073,070	1,139,404
2003	8,118,310	3,649,560	11,767,870	1,102,855
2004	9,637,280	2,273,890	11,911,170	1,108,527
2005	12,286,240	2,084,360	14,370,600	1,087,915

(1) New construction and real property values are listed in the above table at assessed values.

(2) Bank deposit data available includes banks headquartered in Belmont County as well as savings and loans and credit unions.

Source: Belmont County Auditor's Office
Federal Reserve Bank in Cleveland

Real Property Values (1)			
Agricultural/ Residential	Commercial/ Industrial	Public Utility	Total
\$362,417,170	\$122,958,170	\$1,168,280	\$486,543,620
366,509,630	125,737,840	1,123,740	493,371,210
414,261,520	140,103,910	945,390	555,310,820
421,326,410	146,132,980	869,400	568,328,790
432,036,030	150,189,170	884,830	583,110,030
514,416,710	188,994,000	1,063,560	704,474,270
520,193,830	188,521,560	1,026,890	709,742,280
575,495,660	200,187,400	1,026,120	776,709,180
585,718,700	201,229,080	913,450	787,861,230
598,134,800	202,922,170	914,500	801,971,470

Table 15

Belmont County, Ohio
Principal Taxpayers
December 31, 2005

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Taxpayer	Type of Business	Real Estate Assessed Valuation	Tangible Personal and Public Utility Property Assessed Valuation	Total Assessed Valuation	Percent of Assessed Valuation
Ohio Power	Public Utility	\$0	\$27,846,570	\$27,846,570	2.86%
Ohio Valley Mall	Business	24,930,400	0	24,930,400	2.56%
Ohio Edison	Public Utility	0	23,773,660	23,773,660	2.44%
THF St. Clairsville Development	Business	16,797,710	0	16,797,710	1.72%
Ohio Bell Telephone	Public Utility	0	5,943,330	5,943,330	0.61%
Ohio Coatings	Public Utility	3,030,270	571,224	3,601,494	0.37%
East Ohio Gas	Public Utility	0	4,556,670	4,556,670	0.47%
South Central Power	Public Utility	0	4,124,120	4,124,120	0.42%
Columbia Gas of Ohio	Public Utility	0	2,528,280	2,528,280	0.26%
Columumbia Gas Transmission Corp.	Public Utility	0	2,413,650	2,413,650	0.25%
Total		<u>\$44,758,380</u>	<u>\$71,757,504</u>	<u>\$116,515,884</u>	<u>11.96%</u>

Source: Belmont County Auditor's Office

Belmont County, Ohio
Miscellaneous Statistics
December 31, 2005

Date Created	September 7, 1801
County Seat	St. Clairsville, Ohio
2000 Census Population	70,226 - ranked 37th of the 88 Ohio Counties
Number of Municipalities	16
Number of Townships	16
Area	534 square miles, ranked 19th of the 88 Ohio Counties
Water Lines	540 miles - 8,750 customer accounts
Sewer Lines	90 miles - 2,174 customer accounts
County Roads	508
Township Roads	717 miles
State Routes	685 miles
Number of Sheriff's Deputies-Full Time	66
Number of Sheriff's Deputies-Part Time	11
Number of Individuals Employed by the County	879
Health Care Statistics:	
Hospitals	3, East Ohio Regional, Belmont Community, and Barnesville Hospitals
Beds	465
Nursing Homes	13
Nursing Home Beds	1,120
Public Education Statistics:	
Attendance Centers	32
Students	9,239
Teacher/Student Ratio	1:17
School Districts	8, Includes Belmont JVS
Institutions of Higher Education	2, Ohio University - Eastern, 1,288 Students Belmont Technical College, 1,621 Students
Recreation and Travel Statistics:	
Municipal Parks	11-546 acres
Public Tennis Courts	14
Health Club/Fitness Centers	4
Day and Night Baseball Diamonds	51/7
Golf Courses	4
Public Libraries	10
County Fairgrounds	1-24 acres
Hotels/Motels	16-850 rooms
Number of Radio Stations	2, WOMP AM and FM and WBNV
Daily Newspapers	1, Martins Ferry Times Leader - Circulation: 18,500
Weekly Newspapers	1, Barnesville Enterprise - Circulation: 4,825
Voter Statistics (2004 General Election):	
Registered Voters	42,887
Voters at Last Election	20,130
Percentage of Registered Population Voting	46.94%
Sources: Bel-O-Mar Regional Council Ohio Department of Highway Safety Various offices of Belmont County	

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Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

BELMONT 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
MARCH 29, 2007**