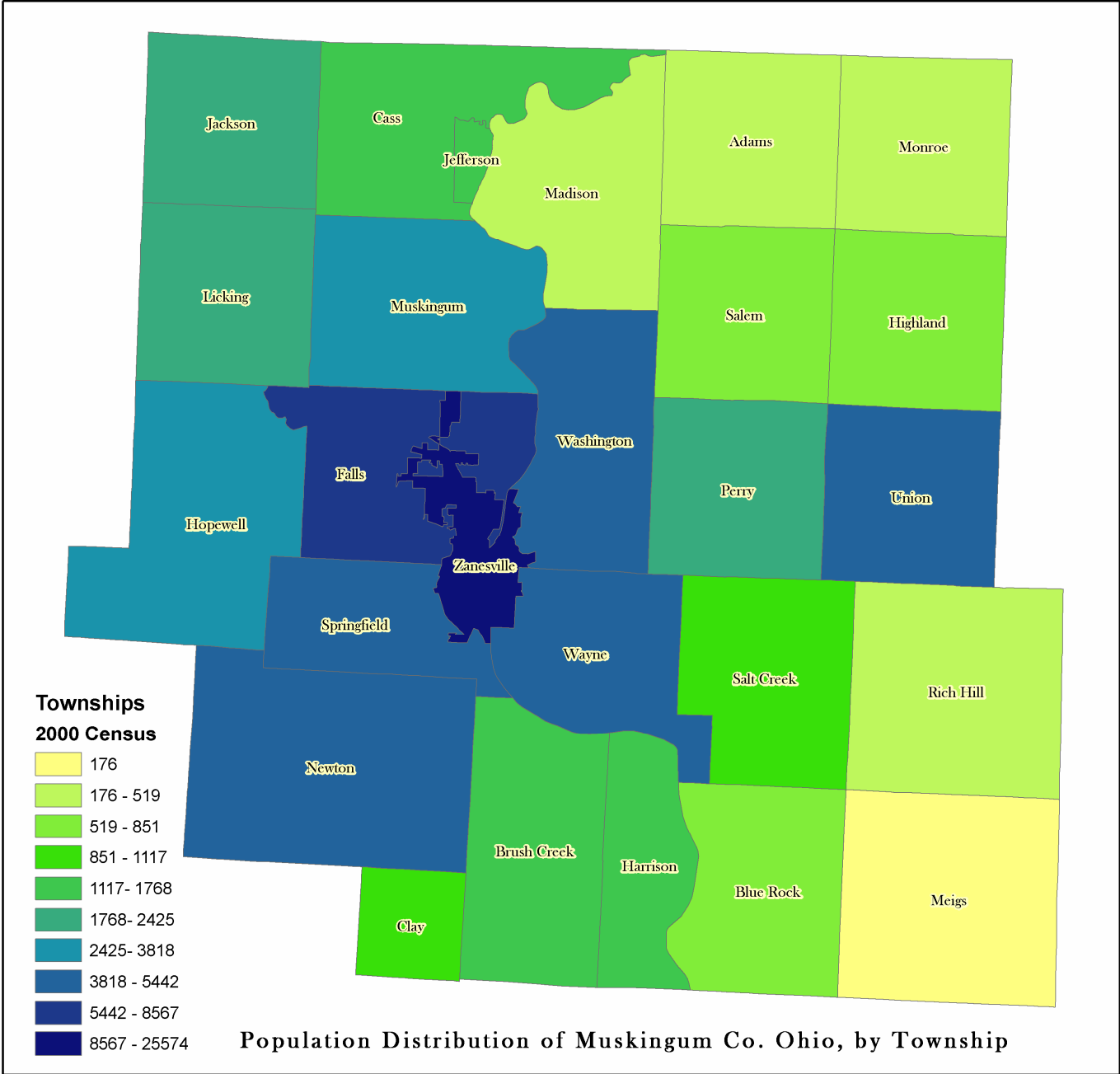


MUSKINGUM COUNTY, OHIO



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

Muskingum County, Ohio

**Comprehensive Annual
Financial Report**

For the Year Ended December 31, 2005

Anita J. Adams

Muskingum County Auditor

Prepared by the Muskingum County Auditor's Office



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Muskingum County Auditor
Office of the County Auditor

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Cindy Bugglin Velma J. Martin
Holly Kohler Ann Bonifant
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Brent Huffman

Mapping Division

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Patrick Denbow

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Jan E. Bates Jennifer Scott
Sheila Mills Sharon Smart
Brenda Ellis

**Inspector of Weights
and Measures**

Charles Conkle

INTRODUCTORY SECTION

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Muskingum County, Ohio
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June 23, 2006

CITIZENS OF MUSKINGUM COUNTY, OHIO

We are pleased to issue the Comprehensive Annual Financial Report (CAFR) of Muskingum County, Ohio for the year ended December 31, 2005. This report is prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

The County Auditor's Office prepared this report, pursuant to Section 117-1-11, Ohio Administrative Code, which requires that an official report prepared on the GAAP basis be issued annually within 150 days after the close of the year. The report includes the basic financial statements which provide an overview of the County's financial position and the results of financial operations. This is the sixteenth consecutive Comprehensive Annual Financial Report issued by the Auditor's office.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical.

The introductory section includes a table of contents, this transmittal letter, the 2004 Certificate of Achievement for Excellence in Financial Reporting, a list of elected officials, and the County's organizational chart.

The financial section includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements which includes the Notes to the Basic Financial Statements that provide an overview of the County's financial position and operating results, the Combining Statements for nonmajor funds, and other schedules that provide detailed information relative to the Basic Financial Statements.

The statistical section includes financial and demographic information which is generally presented on a multi-year basis.

County management assumes full responsibility for the completeness and reliability of the information contained in this report. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

Internal Controls

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

The County utilizes a fully automated accounting system as well as automated systems for control of fixed assets and payroll. These systems, coupled with the manual auditing of each voucher prior to payment by the accounting department of the Auditor's Office, ensure that the financial information generated is both accurate and reliable.

The County's accounting system is organized on a "fund" basis. Each fund is a distinct self-balancing set of accounts. The basis of accounting and the various funds utilized by the County are fully described in Note 2 to the Basic Financial Statements.

As a recipient of federal funds, the County has a responsibility to see that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs.

The County's day-to-day accounting and budgetary records are maintained on a basis other than one in compliance with generally accepted account principles (GAAP).

Independent Audit

In compliance with State statute, the basic financial statements have been audited by the Ohio Auditor of State's Office. The independent auditor concluded that Muskingum County's financial statements for the year ended December 31, 2005 are fairly presented in conformity with Generally Accepted Accounting Principles. The independent accountants' report is presented as the first component of the financial section of this report.

In addition, the County coordinates the requirement for the "Single Audit" of all its federal funds received through the Auditor of State.

Management's Discussion and Analysis

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the management's discussion and analysis (MD&A).

This letter of transmittal should be read in conjunction with the MD&A as they are designed to complement each other. Muskingum County's MD&A can be found immediately following the independent accountants' report.

PROFILE OF THE GOVERNMENT

Basic Information

Muskingum County was created by an act of the Ohio General Assembly on March 1, 1804. The name “Muskingum” is derived from the Delaware Indian language, meaning “Elk Eye River,” which refers to the Muskingum River. Muskingum County encompasses twenty-five townships, ten villages, and the City of Zanesville which is the County seat. The County includes 653 square miles and has a population of 84,585 based on the 2000 Census. The population of the City of Zanesville is 25,586.

For financial purposes, the County includes all funds, departments, and boards and agencies making up Muskingum County (the Primary Government) and its Component Units in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 14 “The Financial Reporting Entity.”

The County’s primary government comprises all entities not legally separate from the County, and includes the financial activities of the Children Services Board, the Board of Mental Retardation and Developmental Disabilities, Tuberculosis Clinic Board, the Board of Mental Health and Recovery Services, and all departments and activities that are directly operated by the County elected officials.

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

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

The County Auditor serves as the chief fiscal officer for the County. As chief fiscal officer, no contract or obligation involving the County can be made without the Auditor’s certification that appropriations are sufficient and that funds are available, or are in the process of collection, to ensure that the contract or obligation can be paid. The Auditor is also the central disbursing agent of the County, who, by issuance of County warrants, distributes funds to creditors in payment of liabilities incurred by the County and its departments. The Auditor is responsible for the preparation of the County payroll and also has statutory accounting responsibilities.

The County Auditor also serves as tax assessor for all political subdivisions within the County. As tax assessor, the Auditor is responsible for establishing the tax rates for real estate, personal property, and manufactured homes. Once these taxes are collected, the Auditor is responsible for distributing those collections to the other governmental entities in accordance with legally adopted rates. In addition to these duties, by law, the Auditor serves as the secretary of the County Board of Revision and the Budget Commission.

The County Treasurer is the custodian of all County funds and is responsible for collecting all tax monies and applying those payments to the appropriate tax accounts. The Treasurer is responsible for the investment of idle County funds, as specified by Ohio law. Daily reconciliations of total County fund balances of the Auditor and Treasurer are performed by the two offices. Reconciliations, by fund, are performed monthly.

The County Budget Commission is comprised of the County Treasurer, County Auditor, and County Prosecuting Attorney. The Budget Commission plays an important function in the financial administration of the County government and all other local governments located within the County.

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

As part of its justice system, the County maintains the Court of Common Pleas, which includes a Domestic Relations Division, a Juvenile Division, and a Probate Division. The County also maintains a County Court District.

The prosecutor is designated by Ohio law as the Chief Legal Counsel for all County offices, boards and agencies, including the Board of County Commissioners, the Auditor, Treasurer, and all townships and local school districts. In addition, the Prosecutor is a member of the County Budget Commission.

The Clerk of Courts keeps all official records of the Common Pleas Court. When the Court of Appeals holds sessions within the County, the Clerk of Courts also serves as Clerk of Courts of the Court of Appeals. The office of 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 and provides certain specialized services which include maintaining a special staff of deputies whose duties are to assist local law enforcement officers upon their request and to enforce the law in unincorporated areas of the County.

The Sheriff also operates and 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 County Courts, the Sheriff is in charge of the preparation and service of documents. The County also contracts with the City of Zanesville and several other municipalities in the County to house prisoners.

Muskingum County employs 1,125 people who provide its citizens with a wide range of services that include human and social services, health and community assistance related services, civil and criminal justice system services, road and bridge maintenance, water and sewer utility services, and other general and administrative support services.

Component Units

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 program'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 access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance 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 levying of taxes, or the issuance of debt.

The Transportation Improvement District and the Muskingum Starlight Industries, Inc. have been included as discretely presented component units.

The County also serves as the fiscal officer and custodian of funds, but is not financially accountable, for the Zanesville-Muskingum County Health Department, the Zanesville-Muskingum County Port Authority and the Muskingum County Soil and Water Conservation District whose activities are included in this report as agency funds.

The County participates in the following jointly governed organizations with other entities:

South East Ohio Joint Solid Waste Management District
Mental Health and Recovery Services Board
Mid East Ohio Regional Council of Governments (MEORC)
Southeast Area Transit Authority (SEAT)
Zanesville-Muskingum Family and Children First Council
Area Agency on Aging
Ohio Mid-Eastern Governments Association (OMEGA)
Licking-Muskingum Community Based Correctional Facility (CBCF)
Zanesville-Muskingum County Port Authority
Perry Multi-County Juvenile Facility
Muskingum County Center for Seniors

Additional disclosure of the jointly governed organizations is presented in Note 21 to the Basic Financial Statements.

The County is associated with the following organizations which are defined as related organizations:

Muskingum County Convention Facilities Authority
Zanesville Metropolitan Housing Authority
Muskingum County Park District

Information regarding the related organizations is presented in Note 22.

Budget

The County is required to have a balanced budget. The Board of County Commissioners adopts an annual appropriation measure for the County at the end of December for the coming year. This appropriation is sometimes called a temporary appropriation. Usually by mid-February but before April 1, an annual appropriation measure is approved which takes into consideration the balances left from the prior year as well as any revisions in revenue estimates for the year. All disbursements and transfers of cash between funds require appropriation authority. Budgets are controlled at the object level within a department and fund. Purchase orders are approved by the department heads, and in many cases, by the Commissioners for departments under their control and are encumbered prior to their release to vendors. Those purchase orders which exceed the available appropriations are rejected until additional appropriations are secured. A computerized certification system allows the Auditor's Office to ascertain the status of a department's appropriation prior to authorizing additional purchases from a particular account.

ASSESSING ECONOMIC CONDITION

Local Economy

The County is located in east central Ohio, approximately 60 miles east of the City of Columbus. The County enjoys the benefits of urbanization while offering a rural atmosphere and a variety of lifestyles for its inhabitants.

Residents of the County are served by a county-wide library system, seven school districts, Muskingum College, Zane State College (formerly Muskingum Area Technical College) and the Zanesville Branch of Ohio University.

The Zanesville Art Center maintains a library of fine arts materials and features classes and exhibitions. The Zane Grey Museum, Zanesville's Secrest Auditorium and two stadiums located in the City also contribute to the County's cultural facilities, as do two municipal park systems and four state recreational areas that are located throughout the County.

Excellent medical care is available to area citizens through Genesis Health Care Systems. Genesis Health Care Systems consists of two acute care hospitals (Bethesda Hospital and Good Samaritan Hospital), a home health and hospice agency, a community pharmacy, and several specialty outpatient clinics.

The County is provided with banking and financial services by eight commercial banks, and savings and loan associations. The County is serviced by one daily newspaper and is within the broadcast area of five television stations and several AM and FM radio stations. Cable television is available to many county residents and offers government, education, and community access channels in addition to entertainment channels.

Muskingum County's economic condition and outlook remained optimistic during 2005. Several new business developments and a steady tourism industry contributed to a heightened expectation for a better economy. The County's effective economic development activities have helped attract a large number of employers. Just as importantly, the county's pro-business thinking has helped many local companies grow from small businesses into major national competitors and remain in Muskingum County to do so.

The County's location is a good choice for manufacturing and distribution facilities needing to move products or people from coast to coast. Muskingum County further builds on Ohio's logistical advantage by offering direct interstate, rail and air access. Interstate 70 runs through the heart of Muskingum County, providing direct access to one of the most important east-to-west corridors in the nation. Other major interstates are nearby adding to the ease of highway transportation.

The Chamber of Commerce once again recognized area companies for their economic investments in Zanesville and Muskingum County with the "Awards for Community and Economic Success" (ACES). ACES were awarded to 37 local businesses in 2005. More than \$90 million dollars worth of investments were reported in 2005 by the award winners.

Muskingum County's three prime development sites for large manufacturing and distribution facilities are publicly owned. With this public ownership, via the Zanesville-Muskingum County Port Authority, land can be purchased or leased at attractive rates.

The Airport Distribution Park offers unmatched access to ground and air transportation. The park is located adjacent to the Zanesville Municipal Airport. For ground transportation, the park is located just one mile from an Interstate 70 interchange with access provided by a state route. Sites ranging from two to ten acres are available for purchase. Tax incentives are available for eligible projects through the Ohio Enterprise Zone Program.

North Pointe Park, a 390-acre mixed-use development area is located in the northern portion of Zanesville. It is zoned and perfectly suited for commercial, office and industrial development. Further, the park provides direct access to North Pointe Drive, a newly constructed, limited access highway linking Zanesville to Dresden near State Route 16. More than 200 acres are still available for development with lot sizes ranging from three to fifty acres. Tax incentives are available within North Pointe through the Community Reinvestment Area and Ohio Enterprise Zone Programs.

The community's newest development site is EastPointe Industrial Park. The 1,200-acre development area can accommodate industrial and distribution projects which have large acreage requirements. Companies that choose EastPointe have access to a new rail transfer facility served by CSX Transportation. EastPointe offers companies flexible lot sizes and plenty of room to grow. Tax incentives through the Ohio Enterprise Zone Program are available for eligible projects.

Construction of the long-awaited Ohio 146/60 connector road began in June of 2005. The \$5.5 million project will create a four-lane road connecting Ohio 60 at Brandywine Loop to Ohio 146 past Kearns Drive. It is expected to be completed during 2006. The project already received a \$1.7 million infusion of federal funding administered through the Ohio Department of Transportation several years ago. The rest of the project's price tag will be funded through a state infrastructure bank loan. The State infrastructure bank would loan the City of Zanesville nearly \$5 million at 3 percent interest, with the City of Zanesville agreeing to make incremental payments through a Tax Increment Financing program.

The Ohio 93 bypass that will extend from the present intersection of U.S. 22 and Ohio 93 north to U.S. 40 is still in the preliminary stages. Estimated costs of the 5.1 mile project are running in the \$30 million range. At the present time, money has been obtained from various sources with Appalachian Regional Commission funds and state funding making up the bulk of the project monies. The preliminary start date is slated for sometime in 2009 with an anticipated 12 to 24 month construction window. In addition to increasing access to some of the southernmost counties in the state, the actual construction of the Ohio 93 bypass will create an economic boost as well.

Northpointe Centre, the largest commercial project ever planned in Muskingum County, opened several of its stores in the fall of 2005. Among those were Home Depot, Kohls, TJ Maxx, MC Sports, Dollar Tree and Famous Footwear. Two more stores, Hobby Lobby and Maurices, announced their plans to open in 2006.

Construction began on a new 12-screen movie theater to be added to the Colony Square Mall. The theater is the product of about a year of negotiations with Cinemark USA, Inc., a Texas-based theater company. It will replace the existing Cinemark 10-screen theater located just east of the mall. The new 38,900 square foot theater building will force the demolition of the existing Lazarus building to make room for the stadium-seating setup. Additional improvements to mall entrances will be made to complement the new theater addition. An estimated 75 to 80 employees will be needed to run the new theater; the existing theater has an estimated 50 employees.

Construction began in late 2005 on a Sam's Club, which will be located on North Pointe Drive. When completed, the store will have approximately 128,000 square feet and house 6,000 items on the shelves. It is the nation's largest members-only warehouse with more than 46 million members throughout the United States. Opening could be as early as fall of 2006.

Emco, a Belgian based company announced plans to open a plant in Zanesville. The plant, which will be the first operation in the United States established by the Belgian firm, will employ approximately 60 people. The manufacturing jobs will pay an average hourly wage of \$17 with an additional \$7.20 an hour for benefits. Emco serves mostly European customers with divisions in gears and aerospace, glass engineering, special components and glass processing. The Zanesville plant will concentrate on glass molds.

Other projects slated to begin in 2006 include the renovation of the Nader Insurance Building on 6th Street in downtown Zanesville. Plans are for a retail development and an art gallery with the remainder of the building's space being converted to studio apartments. Also, in the downtown area, is the demolition of the old A.J. Nader Department Store and the construction of a \$3.6 million senior housing development in its place. Last is a proposed 143-acre development between Ohio 146 at Kearns Drive and North Pointe Drive. The area, which is being called North Point Falls, will include living spaces, restaurants, shops and entertainment.

The sluggish economy saw two of Muskingum County's major employers facing lay-off situations during 2005.

The Longaberger Company and AK Steel had employees laid off during the year, but both were able to recall some of those workers. Both companies remain hopeful that the economy will continue to improve and all workers can be recalled.

The large retail growth that the County has experienced in the last two years is expected to increase sales tax revenues significantly. This comes to the County at a time when other sources of revenue are being reduced or eliminated all together as a result of legislative changes at the State level.

Population growth is major indicator of economic activity. According to the latest census report, Muskingum County's population grew by 3.1 percent between 1990 and 2000. Although this is not a large increase, the population has remained steady over the past decade, which contributes to the County's retail and manufacturing growth.

The total labor force in Muskingum County at the end of 2005 was 40,100 down approximately 1,300 from 2004. At 8.3 percent, the 2005 unemployment rate of the County was somewhat higher than the State of Ohio at (5.9 percent), and also higher than the national rate of (5.1 percent). Table 16 in the Statistical Section of this report compares the employment rates of Muskingum County, the State of Ohio, and the United States over the past ten years.

Long-term Financial Planning and Financial Policies

Local elected officials recognize that a vibrant and growing business community will improve the area's quality of life. Although the economic activity in our County continues to expand, there is a need to exercise fiscal restraint in County spending patterns due to factors external to the County. The Ohio Legislature continues to limit funding to local governments, including the County. Therefore, the County cannot assume that future local government funding by the State will continue at present levels.

The County continues to be conservative in its spending in an effort to recover from the sluggish economy of the past 5 years. All transfers of money to other local governments and agencies have been suspended unless they are mandated or it is an emergency situation. Departments have been asked to make cuts where possible and only purchase equipment if it is absolutely necessary. The County now has moved the costs for Medicaid and liability insurance to the responsible departments and funds. These expenses were previously paid by the General Fund.

The County has unofficially adopted a Debt Policy in order to better manage the issuance of debt. This policy includes the securing of a revenue source for the retirement of the debt when it is issued as well as the periodic review of existing debt for the possibility of refinancing and/or refunding. This will establish a higher level of debt control and has already resulted in a considerable amount of savings for the County. We expect this endeavor to continue to be a valuable cost saving measure for the County.

The County has also implemented a fleet vehicle policy, where the fleet manager will rotate vehicles out of service when their age or mileage makes them ineffective. The policy allows for the purchase of a limited number of new vehicles each year. An inventory of available vehicles within the fleet is maintained so that existing vehicles can be transferred to various departments when they are needed.

Major Initiatives

The County's new GIS (Geographic Information System) office saw its first full year of service to the public during 2005. This project is a joint effort, being completed with the cooperation of the Commissioners' Office, the County Engineer's Office, the County Auditor's Office, the Water and Sewer Departments, the Emergency 911 Department, the Data Processing Department, the Zanesville-Muskingum County Health Department and the City of Zanesville.

The GIS provides a vast array of information to many of the county departments and agencies. The data generated by the system will aid these departments and agencies in the completion of their day-to-day operations by providing continually updated information that is specifically tailored to their needs. Information will be available to help provide the following services: neighborhood indicators and asset mapping, social services master plan development, benchmarking, regional and community planning, policy and program coordination, data collection, data analysis, and promotion of economic development plans.

In addition, the project will provide accurate and up-to-date information that will benefit the citizens who depend on County departments. Economic development agencies will have important and valuable information readily available to provide to potential developers. This information can be used as an important tool to help persuade developers to invest in Muskingum County.

County Officials are moving forward with a plan to revamp Muskingum County's 911 emergency response system. The "First Responder" 911 alert system would allow county, village and township agencies to send out mass notification to residents, regarding evacuations, severe weather warnings or other emergency situations.

Prompted by the devastation that ravaged the county during the floods of January 2005 and September 2004, discussions began in early 2005 over the possibility of introducing the program. When initiated, the system could call nearly 3,000 individuals an hour and play a 30-second message. With a 15-second recording, they could reach twice that number, in the same amount of time. The initial equipment, software and other associated startup costs for the proposal will be covered by a grant from the U.S. Department of Homeland Security.

County officials approved legislation to create a nine-member planning commission as a way to direct Muskingum County's growth. The commission has created subdivision regulations and will make certain those regulations are followed. Under the county's new plan, townships will continue overseeing zoning, but the new county commission will tackle problems like making certain roadways are wide enough to accommodate the traffic from schools or make certain that apartment complexes are planned with sewer systems. The commission is made up of representatives from the public, county, real estate and development. They review and approve all construction and development projects. The financial activity of the commission is included within the County's General Fund.

The Zanesville-Muskingum County Port Authority (Muskingum County's Economic Development Agency) has contracted for the development of a master plan for the EastPointe Industrial Park. EastPointe is one of three industrial parks owned and marketed by the Port Authority. The plan will be designed to help achieve both long and short range projects, develop a system to make decisions and help guide it to completion. Some of the concerns the plan will address will be utilities, infrastructure and traffic in the area.

County priorities continue to include major water and sewer projects to serve the County's continuing growth. The County also continues to look at ways to extend water and sewer services to rural areas within the community.

Cash Management

The County pools all idle cash to achieve maximum investment efficiency and to enhance accountability.

The County Treasurer, as custodian of all County monies, is responsible for all County investments. An investment policy is established by the Investment Advisory Board which is comprised of the County Treasurer, the Chair of the County Commissioners, and one other Commissioner chosen by the Chair. Ohio law requires the Board to meet every six months.

The County has an investment program that recognizes and calculates the lag between issue and redemption of warrants. Investment procedures are restricted by the provisions of the Revised Code. Except for nonparticipating investment contracts, investments are reported at fair value which is based upon quoted market prices. Nonparticipating investments contracts are reported at cost or amortized cost.

All investments are in non-participating certificates of deposit, negotiable certificates of deposit, and federal, state, and local agency securities. Interest earned by the primary government in 2005 was \$1,942,630 for governmental activities, \$47,928 for business-type activities, and \$9,042 for Muskingum Starlight Industries, Inc., (component unit).

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, casualty and crime insurance, the County has addressed these various types of risks.

Under the CORSA program for general liability, auto liability, errors and omissions for public officials, and law enforcement liability, the County has \$1,000,000 of total liability coverage and no annual aggregate (except error and omissions for public officials liability which has a \$1,000,000 annual aggregate) with a \$2,500 deductible per occurrence. Uninsured/Underinsured Motorists are covered in the amount of \$250,000 for each occurrence. Property damage is on a replacement cost basis for a blanket amount of \$100,000,000 on buildings and contents.

The Hartford Steam Boiler Inspection and Insurance Company provides the County's boiler and machinery coverage, in the amount of \$100,000,000 for each accident. Employee dishonesty, money and securities inside and out, money orders and counterfeit, and depositor's forgery are covered in the amount of \$1,000,000 for each and every loss.

During 2005, the County entered into an agreement with the County Commissioners Association of Ohio Worker's Compensation Group Rating Plan. The plan is intended to lower workers' compensation rates for the Group and result in the establishment of safer working conditions and environments for each participant.

Muskingum County established a Loss Prevention Coordinator in 1985 who works with CORSA to provide training to County departments and their employees. One purpose of the program is to identify potential accident areas on County properties for both County employees and citizens. Other training includes driving and material safety data. High risk departments are a training priority.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Muskingum County for its comprehensive annual financial report for the fiscal year ended December 31, 2004. This was the fourteenth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

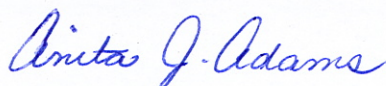
The publication of this CAFR, which includes the new reporting model as promulgated by GASB Statement No. 34, represents an important achievement in the ability of Muskingum County to provide significantly enhanced financial information and accountability to the citizens of Muskingum County, its elected 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.

The preparation and publication of this report would not have been possible without the cooperation of each elected official, department head, and a number of County employees. We are grateful for their assistance and cooperation.

We would like to acknowledge the efforts of the entire staff of the Muskingum County Auditor's office. We offer our sincere thanks and gratitude to Debra Nye and the Accounting Staff for their dedication and hard work as leaders in this undertaking. Our appreciation is also extended to the Local Government Services Division of the Auditor of State's Office for their guidance and assistance in preparing this financial report.

We especially thank the citizens of Muskingum County for this opportunity to continue to improve the professionalism in financial reporting that they expect and deserve.

Respectfully submitted,



Anita J. Adams
Muskingum County Auditor



Dorothy Montgomery
President, Board of Commissioners

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Muskingum 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. Perry

President

Jeffrey R. Emery

Executive Director

Muskingum County, Ohio

Elected Officials

December 31, 2005

Board of Commissioners

Donald D. Madden
Dorothy M. Montgomery
Brian D. Hill

County Auditor

Anita J. Adams

County Treasurer

Phillip D. Murphy

County Recorder

Karen B. Vincent

County Engineer

Douglas R. Davis

Court of Common Pleas

General

Mark C. Fleegle
Kelly J. Cottrill

Court of Common Pleas

Domestic Relations

Jeffrey A. Hooper

County Court

Eric D. Martin
Jay F. Vinsel

Clerk of Courts

Todd A. Bickle

County Coroner

Dr. Howard Marsh

Prosecutor

D. Michael Haddox

County Sheriff

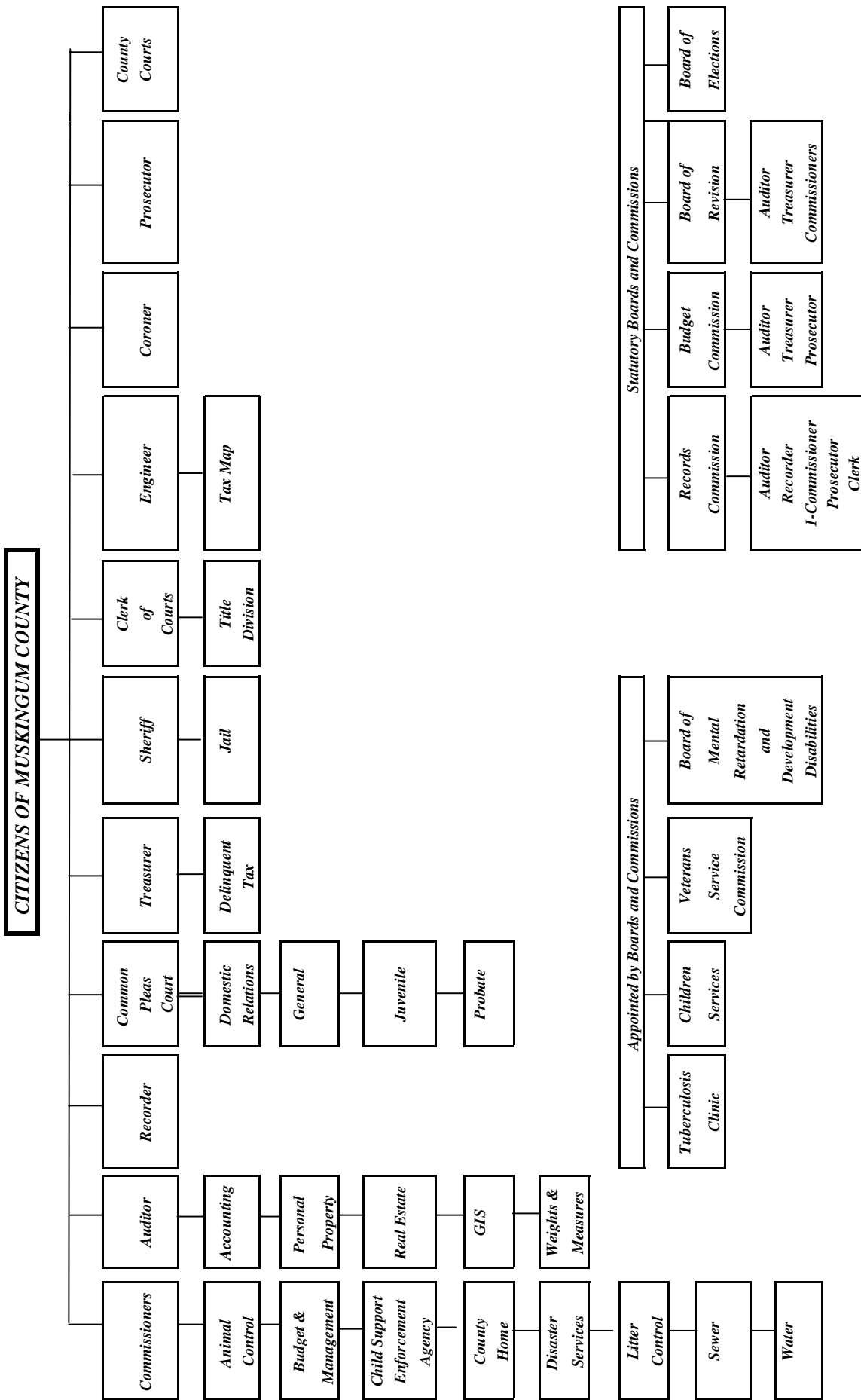
Robert J. Stephenson

Court of Common Pleas

Probate and Juvenile

Joseph A. Gormley

ORGANIZATION OF MUSKINGUM COUNTY



FINANCIAL SECTION



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Muskingum County Commissioners
Muskingum County
401 Main Street
Zanesville, Ohio 43701-3519

To members of the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Muskingum 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 Muskingum Starlight Industries Inc., which represent five percent of assets, one hundred percent of net assets, and fifty percent of revenues for the discretely presented component units of the County. 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 Muskingum Starlight Industries 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*. 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 Muskingum Starlight Industries 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 our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of 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 units, each major fund, and the aggregate remaining fund information of Muskingum County, Ohio, as of December 31, 2005, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Public Assistance, Motor Vehicle and Gas Tax, Starlight Levy, and the County Home funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, during the year ended December 31, 2005, the County implemented GASB Statements No. 40 and No. 42.

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www.auditor.state.oh.us

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.

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 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 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, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. We 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

Muskingum County, Ohio

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

Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the County of Muskingum, Ohio's (the County) 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. The MD&A should be read in conjunction with the County's transmittal letter, notes to basic financial statements and 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 Muskingum County exceeded its liabilities at the close of the year ended December 31, 2005, by \$152,712,731 (net assets). Of this amount, \$16,235,477 may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets decreased by \$757,759 from the total net assets at the beginning of the year 2005.
- At the end of the current year, the County reported unrestricted net assets for governmental activities of \$10,248,711.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$34,686,959, an increase of \$2,466,979 from the prior year. Of this amount, \$30,508,215 is available for spending (unreserved undesignated fund balance) on behalf of its citizens.
- At the end of the current year, unreserved fund balance for the General Fund was \$10,612,813 which represents a 77 percent increase from the prior year, and represents 48 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. Nonmajor funds are presented separately from major funds in total and in one column.

Government-Wide Financial Statements

The government-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

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2005?" The *Statement of Net Assets* and the *Statement of Activities* answer this question.

Muskingum County, Ohio

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

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

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

In the Statement of Net Assets and the Statement of Activities, the County is divided into three kinds of activities:

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

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

Component Units - The County's financial statements include financial data of the Transportation Improvement District and the Muskingum Starlight Industries, Inc. These component units are described in the notes to the basic financial statements. The component units are separate and may buy, sell, lease, and mortgage property in their own name and can sue or be sued in their own name.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. 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 its residents. The County's major governmental funds are the General Fund and the Public Assistance, Motor Vehicle and Gasoline Tax, County Home Levy and Starlight School Levy Special Revenue Funds.

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.

Muskingum County, Ohio

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

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 nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

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

Notes to the Basic Financial Statements - The notes provide additional information that is essential to the 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:

Muskingum County, Ohio

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Assets:						
Current and Other Assets	\$61,318,064	\$61,422,573	\$10,418,528	\$9,604,900	\$71,736,592	\$71,027,473
Capital Assets, Net	105,114,650	107,560,403	47,484,335	45,460,084	152,598,985	153,020,487
Total Assets	166,432,714	168,982,976	57,902,863	55,064,984	224,335,577	224,047,960
Liabilities:						
Current and Other Liabilities	18,079,488	19,634,375	6,448,776	2,524,359	24,528,264	22,158,734
Long-Term Liabilities	32,257,831	33,208,792	14,836,751	15,209,944	47,094,582	48,418,736
Total Liabilities	50,337,319	52,843,167	21,285,527	17,734,303	71,622,846	70,577,470
Net Assets:						
Invested in Capital Assets,						
Net of Related Debt	76,094,042	77,365,818	30,630,570	30,313,503	106,724,612	107,679,321
Restricted	29,752,642	32,147,350	0	0	29,752,642	32,147,350
Unrestricted	10,248,711	6,626,641	5,986,766	7,017,178	16,235,477	13,643,819
Total Net Assets	\$116,095,395	\$116,139,809	\$36,617,336	\$37,330,681	\$152,712,731	\$153,470,490

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 \$152,712,731 (\$116,095,395 in governmental activities and \$36,617,336 in business-type activities) as of December 31, 2005. By far, the largest portion of the County's net assets (70 percent) reflects its investment in capital assets (e.g., land, land improvements, construction in progress, buildings, machinery, equipment, furniture and fixtures, 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, \$29,752,642 or 19 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted net assets (11 percent) is to be used to meet the County's ongoing obligations to citizens and creditors. The County's total net assets decreased by \$757,759 during 2005. The majority of this decrease is due to the current revenue stream not sufficient enough to cover the expenses related to the County's business-type activities.

Muskingum County, Ohio

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

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

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Revenues:						
Program Revenues						
Charges for Services	\$10,580,322	\$10,378,467	\$4,788,974	\$4,403,726	\$15,369,296	\$14,782,193
Operating Grants, Contributions and Interest	32,201,692	29,161,392	0	0	32,201,692	29,161,392
Capital Grants and Contributions	2,362,026	1,073,927	1,516,605	1,168,615	3,878,631	2,242,542
Total Program Revenues	45,144,040	40,613,786	6,305,579	5,572,341	51,449,619	46,186,127
General Revenues						
Property Taxes	11,812,606	12,143,912	0	0	11,812,606	12,143,912
Permissive Sales Taxes	14,152,780	13,935,524	0	0	14,152,780	13,935,524
Intergovernmental	1,801,309	1,808,232	0	0	1,801,309	1,808,232
Investment Earnings	1,942,630	1,170,550	47,928	2,531	1,990,558	1,173,081
Payments in Lieu of Taxes	794,915	423,048	0	0	794,915	423,048
Miscellaneous	1,038,882	825,519	18,723	24,230	1,057,605	849,749
Total General Revenues	31,543,122	30,306,785	66,651	26,761	31,609,773	30,333,546
Total Revenues	76,687,162	70,920,571	6,372,230	5,599,102	83,059,392	76,519,673
Program Expenses						
General Government						
Legislative and Executive	10,487,228	10,640,486	0	0	10,487,228	10,640,486
Judicial	4,934,808	5,344,175	0	0	4,934,808	5,344,175
Public Safety	9,834,606	9,416,728	0	0	9,834,606	9,416,728
Public Works	11,052,895	7,656,460	0	0	11,052,895	7,656,460
Health	1,268,184	1,232,031	0	0	1,268,184	1,232,031
Human Services	36,836,517	35,310,650	0	0	36,836,517	35,310,650
Economic Development and Assistance	0	49,388	0	0	0	49,388
Intergovernmental	1,502,161	1,814,782	0	0	1,502,161	1,814,782
Interest and Fiscal Charges	825,361	844,015	0	0	825,361	844,015
Sewer	0	0	4,090,519	2,968,027	4,090,519	2,968,027
Water	0	0	2,984,872	2,666,568	2,984,872	2,666,568
Total Expenses	76,741,760	72,308,715	7,075,391	5,634,595	83,817,151	77,943,310
Decrease before transfers	(54,598)	(1,388,144)	(703,161)	(35,493)	(757,759)	(1,423,637)
Transfers	10,184	(229,169)	(10,184)	229,169	0	0
Change in Net Assets	(44,414)	(1,617,313)	(713,345)	193,676	(757,759)	(1,423,637)
Net Assets Beginning of Year	115,569,147	117,186,460	37,330,681	37,137,005	152,899,828	154,323,465
Prior Period Adjustment	570,662	0	0	0	570,662	0
Adjusted Net Assets Beginning of Year - Note 3	116,139,809	117,186,460	37,330,681	37,137,005	153,470,490	154,323,465
Net Assets End of Year	\$116,095,395	\$115,569,147	\$36,617,336	\$37,330,681	\$152,712,731	\$152,899,828

Muskingum County, Ohio

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

Governmental Activities

Governmental activities drew on the County's net assets by \$44,414. Key elements of this minimal change are as follows:

The County's direct charges to users of governmental services made up \$10,580,322 or 14 percent of total governmental revenues. These charges are for fees for real estate transfers, permissive motor vehicle license taxes, rent, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Operating grants, contributions, and restricted interest were the largest program revenues, accounting for \$32,201,692 or 42 percent of total revenues for governmental activities. This revenue source increased by \$3,040,300 during 2005. The major recipients of intergovernmental revenues were the human services and public works programs but the largest increase can be seen in the legislative and executive and public safety programs. The legislative and executive program received \$750,460 in grant money to be used for the purchase of voting machines. The public safety program received \$1,854,530 in Homeland Security grants and FEMA flooding reimbursements.

Permissive sales tax revenues account for \$14,152,780 or 18 percent of total governmental revenues. Another major component of general governmental revenues was property tax revenues, which accounted for \$11,812,606 or 15 percent of total governmental revenues.

The County's human services programs accounted for \$36,836,517, or 48 percent of total expenses for governmental activities. Other major program expenses for governmental activities include legislative and executive programs, which accounted for \$10,487,228, or 14 percent of total expenses, and public works programs, which accounted for \$11,052,895 or 14 percent of total expenses.

The human services programs showed an increase in expenses as a result of an overfunding of state revenues of approximately \$1,000,000. The requirement is for the Public Assistance Fund to reimburse the money back to the state. The public works program reflects an increase in expenses of \$3,396,435 from 2004. These expenses were for repairs and maintenance to various infrastructure projects throughout the County.

Business-Type Activities

The net assets for business-type activities decreased \$713,345 during 2005. Charges for services were the largest program revenue, accounting for \$4,788,974 or 75 percent of total business-type revenues.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services for 2005, as compared to 2004. The Statement of Activities reflects the cost of program services and the charges for services, grants, contributions, and interest offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues, unrestricted intergovernmental revenues, and unrestricted interest earnings.

Muskingum County, Ohio

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

	Total Cost of Services <u>2005</u>	Net Cost of Services <u>2005</u>	Total Cost of Services <u>2004</u>	Net Cost of Services <u>2004</u>
General Government				
Legislative and Executive	\$10,487,228	\$5,094,343	\$10,640,486	\$5,803,643
Judicial	4,934,808	3,629,967	5,344,175	4,046,201
Public Safety	9,834,606	5,928,855	9,416,728	6,555,391
Public Works	11,052,895	2,640,230	7,656,460	1,825,571
Health	1,268,184	881,713	1,232,031	858,088
Human Services	36,836,517	11,318,656	35,310,650	10,633,293
Economic Development and Assistance	0	0	49,388	49,388
Intergovernmental	1,502,161	1,278,595	1,814,782	1,079,339
Interest and Fiscal Charges	825,361	825,361	844,015	844,015
Total Expenses	<u>\$76,741,760</u>	<u>\$31,597,720</u>	<u>\$72,308,715</u>	<u>\$31,694,929</u>

Charges for services, operating and capital grants, contributions and interest of \$45,144,040, or 59 percent of the total costs of services, were received and used to fund the governmental activities expenses of the County. The remaining \$31,597,720 in governmental expenses is funded primarily by property and permissive sales taxes, non-restricted intergovernmental revenues, interest, and miscellaneous revenues.

The \$11,318,656 in net cost of services for human services demonstrates the costs of services that were not supported from state and federal resources during 2005. As such, the taxpayers have approved a property tax levy for the County Home and Starlight School programs. For public safety in 2005, the \$5,928,855 in net costs of services indicates the General Fund permissive sales tax, and property tax levies provided for the operation of the Sheriff's Department and the Detention Center. Management is concerned with the fact that there are insufficient program revenues to operate the Sheriff's Department and the Detention Center. To help reduce the tax burden and increase program revenues, the County is actively pursuing contracts for the housing of prisoners from other entities outside the County. The net cost of \$5,094,343 in the legislative and executive program represents activities related to the governing body as well as activities that directly support other County programs that serve the County's residents. As a result, this program relies on the general revenues of the County to support its activities.

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 \$34,686,959, an increase of \$2,466,979 in comparison with the prior year. \$30,508,215, or 88 percent of this total, constitutes unreserved undesignated fund balance, which is available for spending. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year (\$2,363,086), has been reserved for claimants (\$125,941), or has been reserved for a variety of other restricted purposes (\$1,689,717). While the bulk of the governmental fund balances is not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to restrictions for use for a particular purpose mandated by the source of the funding, such as tax levy language or the underlying grant.

Muskingum County, Ohio

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

The General Fund is the primary operating fund of the County. At the end of 2005, unreserved fund balance was \$10,612,813, while total fund balance was \$10,957,429. 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 48 percent to total General Fund expenditures, while total fund balance represents 50 percent of that same amount. The fund balance increased from 2004 by \$4,676,740. This is due to an overall budget reduction forced by the trend of declining fund balance. Costs associated with the operations of other funds of the County were more appropriately spent out of the respective funds. As a result of this, transfers to other funds decreased by \$2,579,100.

At the end of 2005 the Public Assistance Special Revenue Fund had a deficit fund balance of \$746,638, in comparison to a fund balance of \$540,518 at the end of 2004. This is due to an increase in intergovernmental payables and the associated expenditures for money owed to the State for an over advancement of cash to the County during 2005.

The fund balance of the Motor Vehicle and Gasoline Tax Special Revenue Fund at December 31, 2005 was \$2,004,945, an increase of \$612,395 from the previous year. During 2005, this department tried to better match projected revenue streams and spending levels. Due to this conservative budgeting, this department was able to increase the fund balance for an adequate carryover into the next year.

The deficit fund balance of the County Home Levy Special Revenue Fund at December 31, 2005 was \$18,210. Expenditures exceeded revenues during 2005 by \$8,741. These minimal amounts show that this program was able to keep expenditures in line the amount of revenues received. The deficit fund balance is a result of the recognition of accrued liabilities in accordance with generally accepted accounting principles.

The fund balance of the Starlight School Levy Special Revenue Fund at December 31, 2005 was \$9,502,838, a decrease of \$28,781. This minimal change is the result of matching expenditures according to the current year revenue levels received from property taxes and other governments.

Proprietary Funds - The County maintains two different types of proprietary funds. Enterprise funds are used to report functions presented as business-type activities on the government-wide financial statements. The County uses enterprise funds to account for Sewer Fund and Water Fund operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's other programs and activities. The County uses internal service funds to account for the health and workers' compensation self-insurance programs.

As of December 31, 2005, net assets for the County's enterprise funds were \$36,617,336. Of that total, \$5,986,766 represents unrestricted net assets that are available for spending at the County's discretion.

As of December 31, 2005, unrestricted net assets in the self-insurance programs were (\$701,808). This deficit is due to the recognition of payables in accordance with generally accepted accounting principles.

General Fund Budgetary Highlights

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

Muskingum County, Ohio

**Management's Discussion and Analysis
For the Year Ended December 31, 2005
Unaudited**

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

Capital Assets and Debt Administration

Capital Assets - The County's capital assets for governmental and business-type activities as of December 31, 2005, were \$152,598,985 (net of accumulated depreciation). This includes land, land improvements, construction in progress, buildings, machinery, equipment, furniture and fixtures, infrastructure, and vehicles.

For business-type activities, major capital asset additions during 2005 included additional work on construction in progress relating to various waterline extension projects and various sanitary sewer projects.

Table 4 provides a comparison of capital assets as of the end of 2004 and 2005. In addition, Note 10 (Capital Assets) provides capital asset activity during 2005.

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$6,180,332	\$6,174,157	\$199,100	\$199,100	\$6,379,432	\$6,373,257
Land Improvements	32,070,470	31,950,520	0	0	32,070,470	31,950,520
Construction in Progress	588,183	22,236	3,184,156	896,132	3,772,339	918,368
Buildings	31,693,258	32,409,945	143,942	164,210	31,837,200	32,574,155
Machinery, Equipment, Furniture and Fixtures	1,226,363	1,399,699	17,284	29,338	1,243,647	1,429,037
Vehicles	881,536	1,041,556	103,270	149,681	984,806	1,191,237
Infrastructure	32,474,508	34,562,290	43,836,583	44,021,623	76,311,091	78,583,913
Total Capital Assets	\$105,114,650	\$107,560,403	\$47,484,335	\$45,460,084	\$152,598,985	\$153,020,487

Long-Term Debt - As of December 31, 2005, the County had total debt outstanding of \$43,675,959, \$28,901,350 in governmental activities and \$14,774,609 in business-type activities. Table 5 outlines the long-term debt held by the County during 2005 and 2004.

Table 5
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2005	2004	2005	2004	2005	2004
General Obligation Bonds	\$13,900,000	\$14,725,000	\$10,931,625	\$11,271,934	\$24,831,625	\$25,996,934
Special Assessment Debt	998,463	1,102,230	0	0	998,463	1,102,230
Revenue Bonds	0	0	555,800	566,700	555,800	566,700
OWDA Loans	0	0	3,287,184	3,318,908	3,287,184	3,318,908
Contracts Payable	13,801,373	14,444,899	0	0	13,801,373	14,444,899
Capital Leases	201,514	167,563	0	0	201,514	167,563
Total Long-Term Debt	\$28,901,350	\$30,439,692	\$14,774,609	\$15,157,542	\$43,675,959	\$45,597,234

Muskingum County, Ohio

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

In addition to the above debt, the County's long-term obligations include compensated absences and early retirement incentive payables. Additional information on the County's long-term debt can be found in Note 17 of this report.

The County's total unvoted legal debt margin at December 31, 2005, is \$6,708,070.

Moody's Investors Service, Inc. has assigned an underlying rating of A1 to the outstanding general obligation debt of the County. However, a Aaa credit rating was listed on the bonds since the County purchased insurance from MBIA Insurance Corporation guaranteeing bond payments.

Economic Factors

The average unemployment rate for the County in 2005 was 8.3 percent, which is an increase from 8.2 percent from 2004. This rate exceeds the state's average rate for 2005 of 5.9 percent and the average 2005 national rate of 5.1 percent. The increase demonstrates the impact from the national recession.

The County's \$1.352 billion tax base has increased 6.7 percent over the last three years. This growth is attributed to an increase in the County's real estate tax values, despite a decline in public utility personal property tax values due to State deregulation. Real property values within the County have risen steadily over the past several years, and are now at an all time high.

The County's permissive sales tax revenues have increased slightly over the past five years despite uncertain economic conditions. This increase can be attributed to numerous retail developments during the period.

The County's General Fund balance has started to increase in 2005. This is attributed to higher investment earnings, and an overall decrease in giving money to other funds for non-mandated transfers.

The various economic factors were considered in the preparation of the County's 2005 budget, and will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

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

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Anita J. Adams, Muskingum County Auditor, 401 Main Street, Zanesville, Ohio 43701.

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

	Primary Government			Component Units	
	Governmental Activities	Business - Type Activities	Total	Transportation Improvement District	Muskingum Starlight Industries, Inc.
Assets					
Equity in Pooled Cash and Cash Equivalents	\$34,406,719	\$8,620,267	\$43,026,986	\$113,748	\$0
Cash and Cash Equivalents in Segregated Accounts	30,171	0	30,171	0	0
Cash and Cash Equivalents with Fiscal Agents	1,146,358	0	1,146,358	0	0
Cash and Cash Equivalents	0	0	0	0	447,571
Investments	0	0	0	0	105,854
Prepaid Items	193,210	2,435	195,645	0	3,520
Permissive Motor Vehicle License Tax Receivable	36,975	0	36,975	0	0
Materials and Supplies Inventory	602,820	2,100	604,920	0	63,195
Permissive Sales Taxes Receivable	2,287,054	0	2,287,054	0	0
Intergovernmental Receivable	5,892,699	0	5,892,699	829	0
Accounts Receivable	108,257	1,582,672	1,690,929	0	95,354
Accrued Interest Receivable	83,624	0	83,624	0	0
Internal Balances	(6,266)	6,266	0	0	0
Property and Other Taxes Receivable	13,183,202	0	13,183,202	0	0
Payments in Lieu of Taxes Receivable	583,866	0	583,866	0	0
Loans Receivable	380,879	0	380,879	0	0
Special Assessments Receivable	1,538,496	0	1,538,496	0	0
Deferred Charges	0	204,788	204,788	0	0
Due from Component Unit	850,000	0	850,000	0	0
Contracts Receivable	0	0	0	13,801,373	0
Non-Depreciable Capital Assets	38,838,985	3,383,256	42,222,241	0	0
Depreciable Capital Assets, Net	66,275,665	44,101,079	110,376,744	0	35,087
Total Assets	166,432,714	57,902,863	224,335,577	13,915,950	750,581
Liabilities					
Matured Compensated Absences Payable	2,710	0	2,710	0	0
Accrued Wages and Benefits	606,750	13,576	620,326	0	6,386
Intergovernmental Payable	2,228,924	133,010	2,361,934	0	380
Accounts Payable	587,078	181,374	768,452	490	3,785
Contracts Payable	204,689	624,746	829,435	77,843	0
Accrued Interest Payable	65,943	116,070	182,013	0	0
Retainage Payable	30,171	0	30,171	0	0
Claims Payable	1,242,282	0	1,242,282	0	0
Deferred Revenue	11,688,178	0	11,688,178	0	0
Deferred Income	0	0	0	0	72,823
Notes Payable	1,422,763	5,380,000	6,802,763	0	0
Due to Primary Government	0	0	0	850,000	0
Long-Term Liabilities:					
Due Within One Year	3,123,174	536,009	3,659,183	974,449	0
Due In More Than One Year	29,134,657	14,300,742	43,435,399	12,826,924	0
Total Liabilities	50,337,319	21,285,527	71,622,846	14,729,706	83,374
Net Assets					
Invested in Capital Assets, Net of Related Debt	76,094,042	30,630,570	106,724,612	0	0
Restricted for:					
Capital Projects	2,215,117	0	2,215,117	0	0
Debt Service	1,260,757	0	1,260,757	0	0
Motor Vehicle and Gasoline Tax	3,419,214	0	3,419,214	0	0
Starlight School Program	9,861,887	0	9,861,887	0	0
Children Services	4,438,030	0	4,438,030	0	0
Other Purposes	8,557,637	0	8,557,637	0	0
Unrestricted (Deficit)	10,248,711	5,986,766	16,235,477	(813,756)	667,207
Total Net Assets	\$116,095,395	\$36,617,336	\$152,712,731	(\$813,756)	\$667,207

See accompanying notes to the basic financial statements

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

	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General Government:				
Legislative and Executive	\$10,487,228	\$4,544,842	\$848,043	\$0
Judicial	4,934,808	884,093	420,748	0
Public Safety	9,834,606	1,320,769	2,509,690	75,292
Public Works	11,052,895	811,425	5,314,517	2,286,723
Health	1,268,184	269,313	117,158	0
Human Services	36,836,517	2,749,880	22,767,970	11
Intergovernmental	1,502,161	0	223,566	0
Interest and Fiscal Charges	825,361	0	0	0
<i>Total Governmental Activities</i>	<u>76,741,760</u>	<u>10,580,322</u>	<u>32,201,692</u>	<u>2,362,026</u>
Business-Type Activities:				
Sewer	4,090,519	1,985,145	0	1,302,999
Water	2,984,872	2,803,829	0	213,606
<i>Total Business-Type Activities</i>	<u>7,075,391</u>	<u>4,788,974</u>	<u>0</u>	<u>1,516,605</u>
<i>Total Primary Government</i>	<u><u>\$83,817,151</u></u>	<u><u>\$15,369,296</u></u>	<u><u>\$32,201,692</u></u>	<u><u>\$3,878,631</u></u>
Component Units:				
Transportation Improvement District	\$601,491	\$498,336	\$0	\$71,971
Muskingum Starlight Industries, Inc.	636,056	467,080	0	0
<i>Total Component Units</i>	<u>\$1,237,547</u>	<u>\$965,416</u>	<u>\$0</u>	<u>\$71,971</u>

General Revenues

Property Taxes Levied for:

 General Purposes
 Public Safety - Sheriff Levy
 Health - Tuberculosis
 Health - Mental Health
 Human Services - Senior Citizens
 Human Services - County Home
 Human Services - Starlight School
 Human Services - Children Services

Sales Taxes Levied for General Purposes

Grants and Entitlements not Restricted to Specific Programs

Investment Earnings

Payments in Lieu of Taxes

Miscellaneous

In-Kind Contribution

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets (Deficit) Beginning of Year - See Note 3

Net Assets (Deficit) End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue and
Change in Net Assets

Primary Government			Component Units	
Governmental Activities	Business - Type Activities	Total	Transportation Improvement District	Muskingum Starlight Industries, Inc.
(\$5,094,343)	\$0	(\$5,094,343)	\$0	\$0
(3,629,967)	0	(3,629,967)	0	0
(5,928,855)	0	(5,928,855)	0	0
(2,640,230)	0	(2,640,230)	0	0
(881,713)	0	(881,713)	0	0
(11,318,656)	0	(11,318,656)	0	0
(1,278,595)	0	(1,278,595)	0	0
(825,361)	0	(825,361)	0	0
<u>(31,597,720)</u>	<u>0</u>	<u>(31,597,720)</u>	<u>0</u>	<u>0</u>
0	(802,375)	(802,375)	0	0
0	32,563	32,563	0	0
<u>0</u>	<u>(769,812)</u>	<u>(769,812)</u>	<u>0</u>	<u>0</u>
<u>(31,597,720)</u>	<u>(769,812)</u>	<u>(32,367,532)</u>	<u>0</u>	<u>0</u>
0	0	0	(31,184)	0
0	0	0	0	(168,976)
<u>0</u>	<u>0</u>	<u>0</u>	<u>(31,184)</u>	<u>(168,976)</u>
2,629,977	0	2,629,977	0	0
395,525	0	395,525	0	0
400,982	0	400,982	0	0
974,550	0	974,550	0	0
584,215	0	584,215	0	0
2,107,066	0	2,107,066	0	0
3,275,822	0	3,275,822	0	0
1,444,469	0	1,444,469	0	0
14,152,780	0	14,152,780	0	0
1,801,309	0	1,801,309	20,000	0
1,942,630	47,928	1,990,558	0	9,042
794,915	0	794,915	0	0
1,038,882	18,723	1,057,605	62,436	1,043
0	0	0	0	175,475
<u>31,543,122</u>	<u>66,651</u>	<u>31,609,773</u>	<u>82,436</u>	<u>185,560</u>
10,184	(10,184)	0	0	0
<u>31,553,306</u>	<u>56,467</u>	<u>31,609,773</u>	<u>82,436</u>	<u>185,560</u>
(44,414)	(713,345)	(757,759)	51,252	16,584
<u>116,139,809</u>	<u>37,330,681</u>	<u>153,470,490</u>	<u>(865,008)</u>	<u>650,623</u>
<u>\$116,095,395</u>	<u>\$36,617,336</u>	<u>\$152,712,731</u>	<u>(\$813,756)</u>	<u>\$667,207</u>

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

	General	Public Assistance	Motor Vehicle and Gasoline Tax	County Home Levy	Starlight School Levy	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$8,633,519	\$675,678	\$1,443,157	\$99,197	\$8,366,059	\$13,597,694	\$32,815,304
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0	30,171	30,171
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	1,146,358	0	1,146,358
Restricted Cash and Cash Equivalents	125,941	0	0	0	0	925,000	1,050,941
Receivables:							
Property and Other Taxes	3,048,484	0	0	3,544,750	3,760,732	2,829,236	13,183,202
Payments in Lieu of Taxes	192,346	0	0	26,992	46,503	318,025	583,866
Permissive Sales Taxes	2,287,054	0	0	0	0	0	2,287,054
Permissive Motor Vehicle License Tax	0	0	36,975	0	0	0	36,975
Accounts	72,067	1,910	30	0	0	34,250	108,257
Intergovernmental	1,049,859	3,071	2,447,600	147,431	417,036	1,827,702	5,892,699
Interfund	234,014	0	0	0	0	1,723	235,737
Accrued Interest	83,624	0	0	0	0	0	83,624
Special Assessments	0	0	0	0	0	1,538,496	1,538,496
Loans	0	0	0	0	0	380,879	380,879
Due from Component Unit	850,000	0	0	0	0	0	850,000
Materials and Supplies Inventory	171,123	2,804	358,149	5,362	12,124	53,258	602,820
Prepaid Items	181,272	2,348	4,709	0	670	4,211	193,210
Total Assets	\$16,929,303	\$685,811	\$4,290,620	\$3,823,732	\$13,749,482	\$21,540,645	\$61,019,593
Liabilities and Fund Balances							
Liabilities							
Accounts Payable	\$216,419	\$70,412	\$122,265	\$13,328	\$33,369	\$131,285	\$587,078
Contracts Payable	16,800	45,266	0	0	0	142,623	204,689
Accrued Interest Payable	0	0	0	0	0	7,893	7,893
Accrued Wages and Benefits	207,819	92,130	51,934	41,247	72,892	140,728	606,750
Matured Compensated							
Absences Payable	0	0	0	0	2,710	0	2,710
Retainage Payable	0	0	0	0	0	30,171	30,171
Interfund Payable	0	4,770	0	47,000	0	190,233	242,003
Intergovernmental Payable	302,206	1,219,871	38,206	48,186	80,535	539,920	2,228,924
Notes Payable	0	0	0	0	0	1,422,763	1,422,763
Deferred Revenue	5,228,630	0	2,073,270	3,692,181	4,057,138	5,948,434	20,999,653
Total Liabilities	5,971,874	1,432,449	2,285,675	3,841,942	4,246,644	8,554,050	26,332,634
Fund Balances							
Reserved (See Note 25)	344,616	1,205,064	138,437	0	113,192	2,377,435	4,178,744
Unreserved:							
Undesignated, Reported in:							
General Fund	10,612,813	0	0	0	0	0	10,612,813
Special Revenue Funds (Deficit)	0	(1,951,702)	1,866,508	(18,210)	9,389,646	9,403,495	18,689,737
Debt Service Funds	0	0	0	0	0	417,895	417,895
Capital Projects Funds	0	0	0	0	0	787,770	787,770
Total Fund Balances(Deficit)	10,957,429	(746,638)	2,004,945	(18,210)	9,502,838	12,986,595	34,686,959
Total Liabilities and Fund Balances	\$16,929,303	\$685,811	\$4,290,620	\$3,823,732	\$13,749,482	\$21,540,645	\$61,019,593

See accompanying notes to the basic financial statements

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

Total Governmental Fund Balances \$34,686,959

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 105,114,650

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

Property and Other Taxes	1,495,024	
Permissive Sales Taxes	1,215,344	
Special Assessments	1,538,496	
Intergovernmental	4,941,455	
Interest	20,295	
Charges for Services	71,416	
Fines and Forfeitures	29,100	
Rent	235	
Other	110	
Total	9,311,475	9,311,475

Internal service funds are used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. (701,808)

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

General Obligation Bonds	(13,900,000)	
Compensated Absences	(2,850,516)	
Accrued Interest Payable	(58,050)	
Special Assessments Bonds	(998,463)	
Early Retirement Incentive	(505,965)	
Long-Term Contracts Payable	(13,801,373)	
Capital Leases	(201,514)	
Total	(32,315,881)	(32,315,881)

Net Assets of Governmental Activities \$116,095,395

See accompanying notes to the basic financial statements

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

	General	Public Assistance	Motor Vehicle and Gasoline Tax	County Home Levy	Starlight School Levy	Other Governmental Funds	Total Governmental Funds
Revenues							
Property and Other Taxes	\$2,613,375	\$0	\$0	\$1,965,212	\$3,268,537	\$4,003,390	\$11,850,514
Special Assessments	0	0	0	0	0	84,283	84,283
Permissive Sales Taxes	14,101,148	0	0	0	0	0	14,101,148
Permissive Motor Vehicle License Tax	0	0	459,755	0	0	0	459,755
Charges for Services	4,403,131	0	0	705,013	0	3,243,487	8,351,631
Licenses and Permits	8,116	0	4,550	0	0	449,330	461,996
Fines and Forfeitures	457,334	0	98,014	0	0	165,239	720,587
Intergovernmental	3,272,530	13,162,297	4,738,466	272,847	2,983,637	12,561,446	36,991,223
Interest	1,871,971	0	20,895	0	0	77,814	1,970,680
Payments in Lieu of Taxes	368,824	0	0	33,146	61,410	331,535	794,915
Rent	157,427	0	0	0	0	414,610	572,037
Contributions and Donations	22,354	0	0	244	28,241	15,856	66,695
Other	343,546	293,380	300,074	2,944	9,016	95,062	1,044,022
<i>Total Revenues</i>	<u>27,619,756</u>	<u>13,455,677</u>	<u>5,621,754</u>	<u>2,979,406</u>	<u>6,350,841</u>	<u>21,442,052</u>	<u>77,469,486</u>
Expenditures							
Current:							
General Government:							
Legislative and Executive	9,452,186	0	0	0	0	900,148	10,352,334
Judicial	4,722,717	0	0	0	0	280,215	5,002,932
Public Safety	6,680,833	0	0	0	0	2,613,281	9,294,114
Public Works	177,882	0	4,366,867	0	0	4,306,895	8,851,644
Health	469,908	0	0	0	0	753,572	1,223,480
Human Services	415,965	15,182,966	0	2,988,147	6,076,818	11,886,375	36,550,271
Capital Outlay	16,000	0	91,500	0	0	794,052	901,552
Intergovernmental	116,664	0	158,355	0	0	1,227,142	1,502,161
Debt Service:							
Principal Retirement	1,947	4,200	49,862	0	0	930,721	986,730
Interest and Fiscal Charges	819	1,010	5,575	0	0	820,776	828,180
<i>Total Expenditures</i>	<u>22,054,921</u>	<u>15,188,176</u>	<u>4,672,159</u>	<u>2,988,147</u>	<u>6,076,818</u>	<u>24,513,177</u>	<u>75,493,398</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>5,564,835</u>	<u>(1,732,499)</u>	<u>949,595</u>	<u>(8,741)</u>	<u>274,023</u>	<u>(3,071,125)</u>	<u>1,976,088</u>
Other Financing Sources (Uses)							
Proceeds from the Sale of							
Capital Assets	13,760	0	4,800	0	0	0	18,560
Inception of Capital Lease	0	0	91,500	0	0	0	91,500
Transfers In	1,281,736	467,277	19,075	21,719	47,196	3,073,141	4,910,144
Transfers Out	(2,183,591)	(21,934)	(452,575)	0	(350,000)	(1,521,213)	(4,529,313)
<i>Total Other Financing Sources (Uses)</i>	<u>(888,095)</u>	<u>445,343</u>	<u>(337,200)</u>	<u>21,719</u>	<u>(302,804)</u>	<u>1,551,928</u>	<u>490,891</u>
<i>Net Change in Fund Balances</i>	<u>4,676,740</u>	<u>(1,287,156)</u>	<u>612,395</u>	<u>12,978</u>	<u>(28,781)</u>	<u>(1,519,197)</u>	<u>2,466,979</u>
Fund Balances (Deficit) at							
Beginning of Year	<u>6,280,689</u>	<u>540,518</u>	<u>1,392,550</u>	<u>(31,188)</u>	<u>9,531,619</u>	<u>14,505,792</u>	<u>32,219,980</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$10,957,429</u>	<u>(\$746,638)</u>	<u>\$2,004,945</u>	<u>(\$18,210)</u>	<u>\$9,502,838</u>	<u>\$12,986,595</u>	<u>\$34,686,959</u>

See accompanying notes to the basic financial statements

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

Net Change in Fund Balances - Governmental Funds \$2,466,979

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period:

Capital Asset Additions	2,250,643	
Current Year Depreciation	(3,954,920)	
Total	(1,704,277)	(1,704,277)

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the proceeds and the loss on disposal of assets:

Loss on disposal of capital assets	(722,916)	
Proceeds from sale of capital assets	(18,560)	
Total	(741,476)	(741,476)

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

Property and Other Taxes	(37,908)	
Special Assessments	(84,283)	
Permissive Sales Taxes	51,632	
Charges for Services	18,063	
Fines and Forfeitures	(3,982)	
Intergovernmental	(718,354)	
Interest	(2,587)	
Rent	235	
Other	(6,788)	
Total	(783,972)	(783,972)

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

General Obligation Bonds	825,000	
Special Assessment Bonds Payable	104,181	
Capital Leases	57,549	
Total	986,730	986,730

Amortization of Deferred Amount on Refunding (414)

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. (91,500)

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. 3,233

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Compensated Absences Payable	(152,099)	
Early Retirement Incentive	(435,282)	
Long-Term Contracts Payable	643,526	
Total	56,145	56,145

The internal service funds used by management to charge the costs of insurance to individual funds are not reported in the statement of activities. Governmental fund expenditures and the related internal service funds' revenues are eliminated. The net expense of the internal service funds is allocated among governmental activities. (235,862)

Change in Net Assets of Governmental Activities (\$44,414)

See accompanying notes to the basic financial statements

Muskingum 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			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues				
Property and Other Taxes	\$2,606,798	\$2,606,798	\$2,628,261	\$21,463
Permissive Sales Taxes	12,500,000	12,500,000	14,324,063	1,824,063
Charges for Services	3,656,965	4,506,453	4,403,775	(102,678)
Licenses and Permits	5,000	5,450	8,116	2,666
Fines and Forfeitures	378,000	379,100	454,045	74,945
Intergovernmental	1,990,636	2,190,668	2,535,709	345,041
Interest	1,000,000	1,000,000	1,778,915	778,915
Payments in Lieu of Taxes	12,000	12,000	210,043	198,043
Rent	1,000	1,000	156,688	155,688
Contributions and Donations	0	0	6,251	6,251
Other	324,932	366,096	513,984	147,888
<i>Total Revenues</i>	<u>22,475,331</u>	<u>23,567,565</u>	<u>27,019,850</u>	<u>3,452,285</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	9,784,405	10,120,317	9,060,218	1,060,099
Judicial	5,222,571	5,236,200	4,920,421	315,779
Public Safety	7,023,221	7,556,312	7,081,679	474,633
Public Works	492,301	503,101	189,619	313,482
Health	466,735	472,588	471,366	1,222
Human Services	497,273	494,173	427,303	66,870
Intergovernmental	1,947,332	1,005,089	116,664	888,425
Debt Service:				
Principal Retirement	1,947	1,947	1,947	0
Interest and Fiscal Charges	819	819	819	0
<i>Total Expenditures</i>	<u>25,436,604</u>	<u>25,390,546</u>	<u>22,270,036</u>	<u>3,120,510</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,961,273)</u>	<u>(1,822,981)</u>	<u>4,749,814</u>	<u>6,572,795</u>
Other Financing Sources (Uses)				
Proceeds from the Sale of Capital Assets	15,000	15,000	13,760	(1,240)
Advances In	0	0	73,142	73,142
Advances Out	0	0	(168,548)	(168,548)
Transfers In	94,822	1,164,971	239,192	(925,779)
Transfers Out	(1,869,215)	(2,988,894)	(2,183,591)	805,303
<i>Total Other Financing Sources (Uses)</i>	<u>(1,759,393)</u>	<u>(1,808,923)</u>	<u>(2,026,045)</u>	<u>(217,122)</u>
<i>Net Change in Fund Balance</i>	(4,720,666)	(3,631,904)	2,723,769	6,355,673
Fund Balance at Beginning of Year	4,883,147	4,883,147	4,883,147	0
Prior Year Encumbrances Appropriated	443,489	443,489	443,489	0
<i>Fund Balance at End of Year</i>	<u>\$605,970</u>	<u>\$1,694,732</u>	<u>\$8,050,405</u>	<u>\$6,355,673</u>

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$11,627,730	\$16,516,788	\$13,256,618	(\$3,260,170)
Other	1,700,100	839,858	337,938	(501,920)
<i>Total Revenues</i>	<u>13,327,830</u>	<u>17,356,646</u>	<u>13,594,556</u>	<u>(3,762,090)</u>
Expenditures				
Current:				
Human Services	13,787,861	17,691,164	15,879,265	1,811,899
Debt Service:				
Principal Retirement	4,200	4,200	4,200	0
Interest and Fiscal Charges	1,010	1,010	1,010	0
<i>Total Expenditures</i>	<u>13,793,071</u>	<u>17,696,374</u>	<u>15,884,475</u>	<u>1,811,899</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(465,241)</u>	<u>(339,728)</u>	<u>(2,289,919)</u>	<u>(1,950,191)</u>
Other Financing Source (Use)				
Transfers In	480,647	971,377	421,999	(549,378)
Transfers Out	0	(21,934)	(21,934)	0
<i>Total Other Financing Source (Use)</i>	<u>480,647</u>	<u>949,443</u>	<u>400,065</u>	<u>(549,378)</u>
<i>Net Change in Fund Balance</i>	15,406	609,715	(1,889,854)	(2,499,569)
Fund Balance at Beginning of Year	130,023	130,023	130,023	0
Prior Year Encumbrances Appropriated	<u>1,039,071</u>	<u>1,039,071</u>	<u>1,039,071</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$1,184,500</u>	<u>\$1,778,809</u>	<u>(\$720,760)</u>	<u>(\$2,499,569)</u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Permissive Motor Vehicle License Tax	\$0	\$450,000	\$456,544	\$6,544
Licenses and Permits	0	0	4,550	4,550
Fines and Forfeitures	100,000	100,000	98,014	(1,986)
Intergovernmental	4,300,000	4,300,000	4,722,140	422,140
Interest	14,000	14,000	17,919	3,919
Other	0	778,708	319,514	(459,194)
<i>Total Revenues</i>	<u>4,414,000</u>	<u>5,642,708</u>	<u>5,618,681</u>	<u>(24,027)</u>
Expenditures				
Current:				
Public Works	4,758,921	5,433,319	4,675,608	757,711
Intergovernmental	0	600,000	158,355	441,645
Debt Service:				
Principal Retirement	32,831	49,862	49,862	0
Interest and Fiscal Charges	5,575	5,575	5,575	0
<i>Total Expenditures</i>	<u>4,797,327</u>	<u>6,088,756</u>	<u>4,889,400</u>	<u>1,199,356</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(383,327)</u>	<u>(446,048)</u>	<u>729,281</u>	<u>1,175,329</u>
Other Financing Sources (Use)				
Proceeds from the Sale of Capital Assets	0	4,800	4,800	0
Transfers In	238,406	456,875	1,438	(455,437)
Transfers Out	(159,686)	(708,012)	(452,575)	255,437
<i>Total Other Financing Sources (Use)</i>	<u>78,720</u>	<u>(246,337)</u>	<u>(446,337)</u>	<u>(200,000)</u>
<i>Net Change in Fund Balance</i>	<u>(304,607)</u>	<u>(692,385)</u>	<u>282,944</u>	<u>975,329</u>
Fund Balance at Beginning of Year	591,928	591,928	591,928	0
Prior Year Encumbrances Appropriated	304,607	304,607	304,607	0
<i>Fund Balance at End of Year</i>	<u>\$591,928</u>	<u>\$204,150</u>	<u>\$1,179,479</u>	<u>\$975,329</u>

See accompanying notes to the basic financial statements

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

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Property and Other Taxes	\$1,893,903	\$1,939,436	\$1,959,436	\$20,000
Charges for Services	710,468	710,713	705,013	(5,700)
Intergovernmental	266,643	384,576	272,847	(111,729)
Payments in Lieu of Taxes	11,967	35,080	35,080	0
Contributions and Donations	1,050	244	244	0
Other	476	24,663	24,663	0
<i>Total Revenues</i>	<u>2,884,507</u>	<u>3,094,712</u>	<u>2,997,283</u>	<u>(97,429)</u>
Expenditures				
Current:				
Human Services	<u>2,926,624</u>	<u>3,097,576</u>	<u>3,076,463</u>	<u>21,113</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(42,117)</u>	<u>(2,864)</u>	<u>(79,180)</u>	<u>(76,316)</u>
Other Financing Source				
Advances In	<u>0</u>	<u>0</u>	<u>47,000</u>	<u>47,000</u>
<i>Net Change in Fund Balance</i>	<u>(42,117)</u>	<u>(2,864)</u>	<u>(32,180)</u>	<u>(29,316)</u>
Fund Balance at Beginning of Year	26,015	26,015	26,015	0
Prior Year Encumbrances Appropriated	<u>7,237</u>	<u>7,237</u>	<u>7,237</u>	<u>0</u>
<i>Fund Balance (Deficit) at End of Year</i>	<u><u>(\$8,865)</u></u>	<u><u>\$30,388</u></u>	<u><u>\$1,072</u></u>	<u><u>(\$29,316)</u></u>

See accompanying notes to the basic financial statements

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property and Other Taxes	\$3,147,856	\$3,303,158	\$3,303,158	\$0
Intergovernmental	2,891,864	3,049,301	2,991,598	(57,703)
Payments in Lieu of Taxes	31,376	79,521	79,521	0
Contributions and Donations	10,000	28,000	28,241	241
Other	10,650	60,014	55,605	(4,409)
<i>Total Revenues</i>	<u>6,091,746</u>	<u>6,519,994</u>	<u>6,458,123</u>	<u>(61,871)</u>
Expenditures				
Current:				
Human Services	<u>7,167,411</u>	<u>7,317,804</u>	<u>6,405,100</u>	<u>912,704</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,075,665)</u>	<u>(797,810)</u>	<u>53,023</u>	<u>850,833</u>
Other Financing Source (Use)				
Transfers In	0	622	622	0
Transfers Out	<u>0</u>	<u>(350,000)</u>	<u>(350,000)</u>	<u>0</u>
<i>Total Other Financing Source (Use)</i>	<u>0</u>	<u>(349,378)</u>	<u>(349,378)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,075,665)	(1,147,188)	(296,355)	850,833
Fund Balance at Beginning of Year	9,325,675	9,325,675	9,325,675	0
Prior Year Encumbrances Appropriated	<u>140,285</u>	<u>140,285</u>	<u>140,285</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$8,390,295</u>	<u>\$8,318,772</u>	<u>\$9,169,605</u>	<u>\$850,833</u>

See accompanying notes to the basic financial statements

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

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$3,792,369	\$1,731,842	\$5,524,211	\$540,474
Restricted Cash and Cash Equivalents	3,096,056	0	3,096,056	0
Prepaid Items	0	2,435	2,435	0
Materials and Supplies Inventory	2,100	0	2,100	0
Receivables:				
Accounts	1,211,073	371,599	1,582,672	0
Interfund	6,266	0	6,266	0
<i>Total Current Assets</i>	<u>8,107,864</u>	<u>2,105,876</u>	<u>10,213,740</u>	<u>540,474</u>
Noncurrent Assets:				
Deferred Charges	69,115	135,673	204,788	0
Non-Depreciable Capital Assets	2,905,140	478,116	3,383,256	0
Depreciable Capital Assets, Net	23,953,711	20,147,368	44,101,079	0
<i>Total Noncurrent Assets</i>	<u>26,927,966</u>	<u>20,761,157</u>	<u>47,689,123</u>	<u>0</u>
<i>Total Assets</i>	<u>35,035,830</u>	<u>22,867,033</u>	<u>57,902,863</u>	<u>540,474</u>
Liabilities				
Current Liabilities:				
Accrued Wages and Benefits	5,632	7,944	13,576	0
Intergovernmental Payable	77,041	55,969	133,010	0
Accounts Payable	80,619	100,755	181,374	0
Contracts Payable	624,746	0	624,746	0
Accrued Interest Payable	91,897	24,173	116,070	0
Claims Payable	0	0	0	1,242,282
Notes Payable	5,380,000	0	5,380,000	0
Current Portion of Compensated Absences Payable	11,513	13,841	25,354	0
Current Portion of General Obligation Bonds Payable	136,500	255,000	391,500	0
Current Portion of Revenue Bonds Payable	12,100	0	12,100	0
Current Portion of OWDA Loans Payable	23,123	83,932	107,055	0
<i>Total Current Liabilities</i>	<u>6,443,171</u>	<u>541,614</u>	<u>6,984,785</u>	<u>1,242,282</u>
Long-Term Liabilities (Net of Current Portion):				
Compensated Absences Payable	10,829	25,959	36,788	0
General Obligation Bonds Payable	3,919,980	6,620,145	10,540,125	0
Revenue Bonds Payable	543,700	0	543,700	0
OWDA Loans Payable	242,277	2,937,852	3,180,129	0
<i>Total Long-Term Liabilities</i>	<u>4,716,786</u>	<u>9,583,956</u>	<u>14,300,742</u>	<u>0</u>
<i>Total Liabilities</i>	<u>11,159,957</u>	<u>10,125,570</u>	<u>21,285,527</u>	<u>1,242,282</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	19,766,342	10,864,228	30,630,570	0
Unrestricted (Deficit)	4,109,531	1,877,235	5,986,766	(701,808)
<i>Total Net Assets (Deficit)</i>	<u>\$23,875,873</u>	<u>\$12,741,463</u>	<u>\$36,617,336</u>	<u>(\$701,808)</u>

See accompanying notes to the basic financial statements

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

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Funds
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Operating Revenues				
Charges for Services	<u>\$1,985,145</u>	<u>\$2,803,829</u>	<u>\$4,788,974</u>	<u>\$6,842,826</u>
Operating Expenses				
Personal Services	342,037	537,073	879,110	0
Materials and Supplies	150,297	327,156	477,453	0
Contractual Services	2,292,485	917,391	3,209,876	0
Claims	0	0	0	6,680,336
Depreciation	850,738	761,715	1,612,453	0
Other	<u>62,076</u>	<u>0</u>	<u>62,076</u>	<u>0</u>
<i>Total Operating Expenses</i>	<u>3,697,633</u>	<u>2,543,335</u>	<u>6,240,968</u>	<u>6,680,336</u>
<i>Operating Income (Loss)</i>	<u>(1,712,488)</u>	<u>260,494</u>	<u>(1,451,994)</u>	<u>162,490</u>
Non-Operating Revenues (Expenses)				
Interest	47,699	229	47,928	0
Other Non-Operating Revenues	7,713	11,010	18,723	1,648
Interest and Fiscal Charges	(371,905)	(388,661)	(760,566)	0
Loss on Disposal of Capital Assets	(20,981)	0	(20,981)	0
Other Non-Operating Expenses	<u>0</u>	<u>(52,876)</u>	<u>(52,876)</u>	<u>(29,353)</u>
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(337,474)</u>	<u>(430,298)</u>	<u>(767,772)</u>	<u>(27,705)</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(2,049,962)</u>	<u>(169,804)</u>	<u>(2,219,766)</u>	<u>134,785</u>
Capital Contributions from Customers	1,098,267	122,320	1,220,587	0
Capital Contributions from Grantors	204,732	91,286	296,018	0
Transfers In	29,279	4,694	33,973	0
Transfers Out	<u>(44,157)</u>	<u>0</u>	<u>(44,157)</u>	<u>(370,647)</u>
<i>Change in Net Assets</i>	<u>(761,841)</u>	<u>48,496</u>	<u>(713,345)</u>	<u>(235,862)</u>
Net Assets (Deficit) Beginning of Year	<u>24,637,714</u>	<u>12,692,967</u>	<u>37,330,681</u>	<u>(465,946)</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$23,875,873</u>	<u>\$12,741,463</u>	<u>\$36,617,336</u>	<u>(\$701,808)</u>

See accompanying notes to the basic financial statements

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

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$1,968,322	\$2,796,590	\$4,764,912	\$0
Cash Received from Transactions with Other Funds	0	0	0	6,842,826
Cash Payments for Employee Services and Benefits	(355,542)	(548,359)	(903,901)	0
Cash Payments for Goods and Services	(1,778,581)	(1,314,538)	(3,093,119)	0
Cash Payments for Claims	0	0	0	(6,636,127)
Other Non-Operating Revenues	7,713	11,010	18,723	1,648
Other Non-Operating Expenses	0	(3,470)	(3,470)	(29,353)
Other Operating Expenses	(62,076)	0	(62,076)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(220,164)</u>	<u>941,233</u>	<u>721,069</u>	<u>178,994</u>
Cash Flows from Noncapital Financing Activities				
Advances Out	(6,266)	(26,000)	(32,266)	0
Transfers In	29,279	4,694	33,973	0
Transfers Out	(37,741)	0	(37,741)	(370,647)
<i>Net Cash Used for Noncapital Financing Activities</i>	<u>(14,728)</u>	<u>(21,306)</u>	<u>(36,034)</u>	<u>(370,647)</u>
Cash Flows from Investing Activities				
Interest	47,699	229	47,928	0
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(2,864,892)	(792,793)	(3,657,685)	0
Proceeds of Notes	5,380,000	0	5,380,000	0
OWDA Loans Received	0	79,396	79,396	0
Tap-In Fees	1,186,786	122,320	1,309,106	0
Capital Grants	204,732	117,286	322,018	0
Principal Paid on General Obligation Bonds	(126,500)	(250,000)	(376,500)	0
Principal Paid on Bond Anticipation Notes	(2,080,000)	0	(2,080,000)	0
Principal Paid on OWDA Loans	(21,432)	(89,688)	(111,120)	0
Principal Paid on Revenue Bonds	(10,900)	0	(10,900)	0
Interest and Fiscal Charges Paid on General Obligation Bonds	(204,514)	(303,062)	(507,576)	0
Interest and Fiscal Charges Paid on Bond Anticipation Notes	(54,052)	0	(54,052)	0
Interest and Fiscal Charges Paid on OWDA Loans	(20,078)	(45,942)	(66,020)	0
Interest and Fiscal Charges Paid on Revenue Bonds	(26,250)	0	(26,250)	0
<i>Net Cash Provided by (Used for) Capital and Related Financing Activities</i>	<u>1,362,900</u>	<u>(1,162,483)</u>	<u>200,417</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	1,175,707	(242,327)	933,380	(191,653)
Cash and Cash Equivalents Beginning of Year	<u>5,712,718</u>	<u>1,974,169</u>	<u>7,686,887</u>	<u>732,127</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$6,888,425</u>	<u>\$1,731,842</u>	<u>\$8,620,267</u>	<u>\$540,474</u>

(continued)

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

	<u>Business - Type Activities - Enterprise Funds</u>			Governmental Activities - Internal Service Fund
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities				
Operating Income (Loss)	(\$1,712,488)	\$260,494	(\$1,451,994)	\$162,490
Adjustments:				
Other Non-Operating Revenues	7,713	11,010	18,723	1,648
Other Non-Operating Expenses	0	(3,470)	(3,470)	(29,353)
Depreciation	850,738	761,715	1,612,453	0
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(16,823)	(7,239)	(24,062)	0
Increase in Prepaid Items	0	(2,435)	(2,435)	0
Increase in Materials and Supplies Inventory	(764)	0	(764)	0
Increase in Accounts Payable	50,556	69,842	120,398	0
Decrease in Accrued Wages and Benefits	(15,308)	(15,640)	(30,948)	0
Increase (Decrease) in Contracts Payable	624,746	(61,383)	563,363	0
Increase in Compensated Absences Payable	4,033	5,707	9,740	0
Increase in Claims Payable	0	0	0	44,209
Decrease in Intergovernmental Payable	(12,567)	(77,368)	(89,935)	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(\$220,164)</u>	<u>\$941,233</u>	<u>\$721,069</u>	<u>\$178,994</u>

Noncash Transactions:

During 2005, capital contributions from customers decreased by \$88,519 in the Sewer Enterprise Fund due to a decrease in receivables for unbilled tap-in fees. The Sewer Enterprise Fund reflects an increase in transfers out of \$6,416 due to the forgiveness of an advance during the year.

See accompanying notes to the basic financial statements

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

Assets

Equity in Pooled Cash and Cash Equivalents	\$11,564,810
Cash and Cash Equivalents in Segregated Accounts	421,768
Investments in Segregated Accounts	100,000
Receivables:	
Permissive Motor Vehicle License Tax	3,659
Intergovernmental	5,235,665
Accounts	1,766,758
Property and Other Taxes	52,130,624
Payments in Lieu of Taxes	962,623
	<hr/>

Total Assets \$72,185,907

Liabilities

Intergovernmental Payable	\$66,349,594
Deposits Held and Due to Others	6,970
Undistributed Monies	5,829,343
	<hr/>

Total Liabilities \$72,185,907

See accompanying notes to the basic financial statements

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

NOTE 1 - REPORTING ENTITY

Established in 1804, Muskingum County, Ohio (the County) is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County who manage various segments of the County's operations are the County Auditor, County Treasurer, Recorder, Clerk of Courts, Coroner, Engineer, Prosecutor, Sheriff, two County Court Judges, two Common Pleas Court Judges, and a Probate Court Judge. 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 chief administrators of public services for the County, including each of these departments.

Reporting Entity

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

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Muskingum County, this includes the Children Services Board, the Board of Mental Retardation and Developmental Disabilities, the Tuberculosis Clinic Board, the Board of Mental Health and Recovery Services, 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 program'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 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 levying of taxes, or the issuance of debt.

The component unit column in the combined financial statements identifies the financial data of the County's component units, the Transportation Improvement District and Muskingum Starlight Industries, Inc. They are discretely reported to emphasize that they are legally separate from the County.

The Transportation Improvement District (TID) is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically formed under the auspices of House Bill 154, and Ohio Revised Code Chapter 5540, as amended, and created by action of the Board of County Commissioners of Muskingum County on November 20, 1995. The District is governed by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members, with five members appointed by a majority vote of the Board of Commissioners.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

One member is appointed by the President of the Ohio Senate and one member is appointed by the Speaker of the House of Representatives. The Board of Directors appoints a Chairman, who presides at all meetings and is the chief officer of the District. He has the authority to sign all contracts, releases, notes, bonds, and other instruments and documents to be executed on behalf of the District. He is the chief officer of the District for the purpose of civil process and is authorized to accept such services on behalf of the District. He performs such other duties and has such authority as may be provided from time to time by the Board. Also, the Zanesville-Muskingum County Port Authority serves as the Administrative Agent for the Muskingum County Transportation Improvement District. The County may impose its will on the District and the relationship between the primary government and the organization is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Separately issued financial statements can be obtained from the Transportation Improvement District, Zanesville, Ohio.

Muskingum Starlight Industries, Inc. is a legally separate, non-governmental, not-for-profit corporation, served by a self-supporting board of trustees. The workshop, under a contractual agreement with the Muskingum County Board of Mental Retardation and Developmental Disabilities (MRDD), provides sheltered employment for mentally retarded or handicapped adults in Muskingum County. The Muskingum County Board of MRDD provides the workshop with staff salaries, transportation, equipment (except that used directly in the production of goods or rendering of 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 the workshop and the workshop's sole purpose of providing assistance to the retarded and handicapped adults of Muskingum County, the workshop is presented as a component unit of Muskingum County. The nature and significance of the relationship between the primary government and the organization is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Separately issued financial statements can be obtained from Muskingum Starlight Industries, Inc., Zanesville, Ohio.

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

Muskingum County Educational Service Center
Muskingum County Law Library
Muskingum County Library System
Muskingum College
Zanesville/Muskingum Convention and Visitors Bureau

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 entities is presented as agency funds in the County's financial statements:

Zanesville-Muskingum County Health Department is governed by a five member board of health which oversees the operation of the health district and is elected by a regional advisory council. The board adopts its own budget, hires and fires its own staff, and operates autonomously from the County.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

The Zanesville-Muskingum County Port Authority (the Port Authority) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Port Authority operates under the direction of a five member Board of Directors. The Board is comprised of two members appointed by the City of Zanesville, two members appointed by Muskingum County, and one member appointed jointly by the City and the County. The Port Authority is authorized to purchase, construct, sell, lease, and operate facilities within its jurisdiction as enumerated in Ohio Revised Code Chapter 4582.

Muskingum County 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.

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

South East Ohio Joint Solid Waste Management District
Mental Health and Recovery Services Board
Mid East Ohio Regional Council of Governments (MEORC)
Southeast Area Transit Authority (SEAT)
Zanesville-Muskingum Family and Children First Council
Area Agency on Aging
Ohio Mid-Eastern Governments Association (OMEGA)
Licking-Muskingum Community Based Correctional Facility (CBCF)
Zanesville-Muskingum County Port Authority
Perry Multi-County Juvenile Facility
Muskingum County Center for Seniors

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

Muskingum County Convention Facilities Authority
Zanesville Metropolitan Housing Authority
Muskingum County Park District

The County is associated with the County Risk Sharing Authority, Inc. (CORSA) and the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan which are defined as public entity pools. Additional information concerning these organizations is presented in Note 23.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

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 unless those pronouncements conflict with or contradict GASB pronouncements. The County 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 activities of the internal service funds are eliminated to avoid "doubling up" revenues and expenses. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

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

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

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, the County's primary operating 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 - To account 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 for certain public social services.

Motor Vehicle and Gasoline Tax Fund - To account for revenues derived from motor vehicle licenses, gasoline taxes, and grants. Ohio state law restricts expenditures in this fund to county road and bridge repair and improvement programs.

County Home Fund - To account for revenues for room and board as well as property taxes used to administer and operate the County Home.

Starlight School Levy Fund - To account for property tax revenues and federal and state grants. Expenditures are restricted by state law to those that benefit the mentally retarded and the developmentally disabled. County expenditures have been for social service contracts, medical providers and costs to maintain and operate buildings and buses provided for the mentally retarded and developmentally disabled.

The other governmental funds of the County account for grants and other resources whose use is restricted to a particular purpose.

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

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County reports the following major proprietary funds:

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

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

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

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

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

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

C. Measurement Focus

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

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

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net assets. The statement of changes in revenues, expenses, and 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.

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2005

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales taxes (see Note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

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.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

E. Budgetary Process

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

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.

Differences between the structures used for budgeting and the fund structure used for generally accepted accounting principles reporting should be disclosed as perspective differences. For the County, this includes three debt service funds. The Note Retirement Fund is combined with the Brandywine Capital Projects Fund which is the fund that reflects the short-term note liability. The Sewer Debt Service Fund and the Water Debt Service Fund are combined with the appropriate enterprise funds in the Proprietary Fund Financial Statements.

Budgetary information for the State Route 60 Project Capital Projects Fund is not presented because the activity in this fund relates only to accruals in accordance with generally accepted accounting principles. Budgetary information for Transportation Improvement District (TID) and the Muskingum Starlight Industries, Inc. (Component Units) is not reported because they are not included in the entity for which "the appropriated budget" is adopted and do not themselves maintain budgetary financial information.

F. Cash and Cash Equivalents

Cash balances of the County's funds, except cash held by a trustee, 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 non-participating certificates of deposit, negotiable certificates of deposit, and federal, state, and local agency securities. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Non-participating investment contracts are reported at cost or amortized cost. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments. The County has segregated bank accounts for monies held separate from the County's central bank account. These interest bearing depository and investment accounts are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" and as "Investments in Segregated Accounts" since they are not required to be deposited into the County Treasury.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

Interest revenue is distributed to the funds according to the Muskingum County Prosecutor's interpretation of Ohio constitutional and statutory requirements. During 2005, interest was distributed to the General Fund, and certain special revenue, capital project, and agency funds. Interest revenue credited to the General Fund during 2005 amounted to \$1,871,971, which includes \$1,647,686 assigned from other County funds.

G. Restricted Assets

Certain resources set aside for the guarantee of a component unit loan repayment are classified as restricted cash on the governmental balance sheet because its use is limited by applicable debt agreements. Restricted cash and cash equivalents in the General Fund represent the amount of unclaimed monies not available for appropriation. Restricted cash and cash equivalents in the Sewer Enterprise Fund represent the amount of unspent note proceeds as of December 31, 2005.

H. Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material 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. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

I. Inventory of Supplies

Inventories are presented at cost on a first-in, first-out basis and are expended/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. Interfund Balances

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

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

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level 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. 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 reported capital assets are depreciated except for land, land improvements, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Buildings	50 Years	30-35 Years
Machinery, Equipment, Furniture and Fixtures	5-10 Years	5-10 Years
Vehicles	5 Years	5 Years
Infrastructure	15-50 Years	20-50 Years

The County's infrastructure consists of roads, bridges, and water and sewer lines and includes infrastructure acquired prior to the implementation of GASB Statement 34.

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 after seven years of service at varying rates depending on County policy.

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

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

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

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, claims, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as a liability in the governmental fund financial statements when due.

O. Unamortized Bond Discounts and Issuance Costs

Bond discounts and issuance costs are deferred and amortized over the term of the bonds using the straight-line method since the results are not significantly different from the effective interest method. Bonds payable are reported net of the applicable bond 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 and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Capital Contributions

Contributions of capital arise from contributions of capital assets from governmental activities to business-type activities, 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.

Q. 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 appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, long-term contracts payable, loan guarantee, loans receivable, and claimants. Reservation for claimants is established because by law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years. Reservations for long-term contracts payable and loan guarantee are for the guarantee of component unit loan repayments because their use is limited by applicable debt agreements.

R. Interfund Activity

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

Muskingum County, Ohio

**Notes to the Basic Financial Statements
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 non-operating 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.

S. 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. Net assets restricted for other purposes primarily include the guarantee of a component unit loan, community development block grants, and the activities associated with the ongoing reappraisals of the County. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide statement of net assets reports \$29,752,642 of restricted net assets, of which \$8,061,717 is restricted by enabling legislation.

T. Operating Revenues and Expenses

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

U. Extraordinary and Special Items

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

V. Estimates

The preparation of 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

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".

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

GASB Statement No. 40 establishes new disclosure requirements for risks associated with deposits and investments. See Note 6 "Deposits and Investments" for the required disclosures.

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.

During 2005, the County added additional bridges and road mileage that had not been reported as capital assets at the end of 2004. The County also added equipment that was omitted in 2004. In addition, the County corrected inconsistencies in applying depreciation to assets previously reported. These changes increased governmental net assets as previously reported as of December 31, 2004 in the amount of \$570,662 from \$115,569,147 to \$116,139,809.

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

While reporting financial position, results of operations, and changes in fund balances on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances.

The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the General Fund and each major special revenue fund 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:

- A. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
- B. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
- C. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance.
- D. 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).
- E. Unrecorded cash, unreported interest, and prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
- F. Cash that is held by the agency funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County fund.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

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

	<u>General</u>	<u>Public Assistance</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>County Home</u>	<u>Starlight School Levy</u>
GAAP Basis	\$4,676,740	(\$1,287,156)	\$612,395	\$12,978	(\$28,781)
Net Adjustment for Revenue Accruals	(532,063)	40,297	(97)	23,653	47,117
Beginning of the Year:					
Unrecorded Cash	36,176	99,382	0	0	25,544
Unreported Interest	86,921	0	0	0	0
Agency Fund Cash Allocation	99,274	0	0	92,349	230,872
Prepaid Items	118,493	6,927	0	0	0
End of the Year:					
Unrecorded Cash	(40,928)	(800)	0	0	0
Unreported Interest	(164,898)	0	(2,976)	0	0
Agency Fund Cash Allocation	(84,388)	0	0	(98,125)	(196,251)
Prepaid Items	(181,272)	(2,348)	(4,709)	0	(670)
Net Adjustment for Expenditure Accruals	266,505	694,760	(43,330)	(88,316)	(181,051)
Transfers In	(1,042,544)	(45,278)	(17,637)	(21,719)	(46,574)
Advances In	73,142	0	0	47,000	0
Advances Out	(168,548)	0	0	0	0
Encumbrances	(418,841)	(1,395,638)	(260,702)	0	(146,561)
Budget Basis	<u>\$2,723,769</u>	<u>(\$1,889,854)</u>	<u>\$282,944</u>	<u>(\$32,180)</u>	<u>(\$296,355)</u>

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2005

NOTE 5 - ACCOUNTABILITY AND COMPLIANCE

A. Fund Balance/Net Assets Deficits

The following funds had deficit fund balances/net assets as of December 31, 2005:

<u>Fund Type/Fund</u>	<u>Net Assets</u>
<u>Special Revenue Funds:</u>	
Public Assistance	\$746,638
County Home	18,210
Litter Prevention	800
<u>Capital Projects Funds:</u>	
Issue II	315,855
Job and Family Services Renovation	689,958
Self-Insurance Health Internal Service Fund	896,873

The deficits in the special revenue and internal service funds are due to the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides operating transfers for these funds but only as cash is required, not as deficits occur. The deficits in the capital projects funds are the result of the issuance of debt to finance projects in these funds. Once the debt is retired, the deficits will be eliminated.

B. Legal Compliance

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

	<u>Excess</u>
General Fund	
Legislative and Executive	
Board of County Commissioners	
Other	\$9,342
Sheriff Commissary Special Revenue Fund	
Public Safety	
Materials and Supplies	152,833
Debt Service Fund	
Interest and Fiscal Charges	1,841
Highway Capital Projects Fund	
Capital Outlay	
Capital Outlay	98,258

At the time the original appropriation measure was passed, the County Home Levy Special Revenue Fund had appropriations that exceeded estimated resources plus available balances in the amount of \$8,865 which is contrary to section 5705.39, Revised Code.

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

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

NOTE 6 - DEPOSITS AND INVESTMENTS

Monies held by the County are classified by State Statute into two categories, active and inactive.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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.

Deposits 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. Bonds 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 deposit 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;

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

9. Commercial paper notes, corporate notes, and bankers' acceptances; and,
10. 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.

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. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments 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 \$516,978 in undeposited cash on hand which is included on the financial statements of the County as part of "Equity in Pooled Cash and Cash Equivalents" and "Cash and Cash Equivalents in Segregated Accounts".

Deposits

Custodial Credit Risk 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, \$54,186,760 of the County's bank balance of \$55,162,915 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 pledge to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

At December 31, 2005, the County's Starlight School Levy Special Revenue Fund had a cash balance of \$1,146,358 with MEORC, a jointly governed organization (See Note 21). The money is held by MEORC in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 40. Any risk associated with the cash and cash equivalents and investments for MEORC as a whole may be obtained from their audit report. To obtain financial information, write to the Mid East Ohio Regional Council, Cathy Henthorn, who serves as Associate Director of Business, 160 Columbus Road, Mt. Vernon, Ohio 43050.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

Investments

As of December 31, 2005, the County had the following investments. All investments are in an internal investment pool.

	Fair Value	Maturity	Percent of Total Investments	Rating	Rating Agency
Negotiable Certificates of Deposit	\$100,000	10/06/2006 to 12/18/2006	14.39%	N/A	N/A
Federal Home Loan Mortgage Corporation Bonds	48,563	2/13/2008	6.99%	AAA	S&P
Federal National Mortgage Association Bonds	97,516	12/19/2008 to 3/16/2009	14.04%	AAA	S&P
Federal Home Loan Bank Bonds	394,205	4/28/2006 to 10/26/2009	56.74%	AAA	S&P
State and Local Government Series Bonds	<u>54,500</u>	7/1/2006 to 7/1/2014	<u>7.84%</u>	AAA	S&P
Total	<u>\$694,784</u>		<u>100.00%</u>		

Interest Rate Risk The County's investment policy does not address 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. The stated intent of the policy is to avoid the need to sell securities prior to maturity.

Credit Risk The County has no investment policy that addresses credit risk.

Custodial Credit Risk For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The negotiable certificates of deposit are exposed to custodial credit risk in that they are uninsured, unregistered, and held by the counterparty's trust department or agency but not in the County's name. The County has no investment policy dealing with investment custodial credit risk beyond the requirement in state statute that prohibits payment for investments prior to the delivery of the securities representing such investments to the treasurer or qualified trustee.

Concentration of Credit Risk The County places no limit on the amount it may invest in any one issuer. The percentage of total investments in listed in the table above.

NOTE 7 - PROPERTY TAXES

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2005 for real and public utility property taxes represents collections of 2004 taxes. Property tax payments received during 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 State law at 35 percent of appraised market value. 2005 real property taxes are collected in and intended to finance 2006.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

Public utility tangible personal property currently is assessed at varying percentages of true 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 for machinery and equipment are 25 percent of true value and 23 percent of true value for inventory.

The full tax rate for all County operations for the year ended December 31, 2005, was \$12.05 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	\$1,164,021,180
Public Utility Personal Property	80,144,210
Tangible Personal Property	<u>108,271,331</u>
Total Assessed Value	<u>\$1,352,436,721</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 at 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 represents 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 and the County Home Levy, Starlight School Levy, Tuberculosis Clinic, Senior Citizens Levy, Mental Health Levy, and Sheriff Levy Special Revenue Funds, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2005 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

NOTE 8 - PERMISSIVE SALES AND USE TAXES

In 1971, the County Commissioners by resolution imposed a one-half percent tax, and an additional one-half percent tax in 1982 and 1993, respectively, on all retail sales made in the County, except sales of motor vehicles, and on the storage, use, or consumption in the County of tangible personal property, including automobiles, not subject to sales tax. 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 entirely to the General Fund.

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2005

NOTE 9 - RECEIVABLES

Receivables at December 31, 2005, consisted of taxes, payments in lieu of taxes, accounts (billings for user charged services, including unbilled utility services and tap-in fees that the County is allowing property owners to pay over time), special assessments, interfund, accrued interest, loans, 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 non-payment. Special assessments relating to the payment of debt are not expected to be collected within one year. The amount not scheduled for collection during the subsequent year is \$1,368,224. The County has \$21,965 in delinquent special assessments at December 31, 2005.

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Homestead and Rollback	\$519,110
Local Government Subsidies	627,419
Local Government Revenue Assistance Subsidies	159,287
Breakfast/Lunch Reimbursement	11,646
Public Defender	68,132
Housing of Prisoners	19,500
Detention Reimbursements	5,130
Estate Taxes	17,071
MVL Distribution	1,367,333
Ohio Children's Trust Grant	13,832
Victims of Criminal Account Grant	32,385
Region 8 Grant	75,292
Federal Highway Grant	2,933
Community Development Block Grants	993,164
Population Reduction Grant	14,894
Litter Grant	10,691
Community Corrections Grant	107,554
Youth and Community Partnership Grant	28,816
Gasoline Excise Tax / Cents Per Gallon	1,080,042
Youth Services Grants and Subsidies	3,975
Children Services Grants and Subsidies	251,575
Child Support Enforcement Grants and Subsidies	24,141
Public Assistance Grants and Subsidies	3,071
Starlight School Levy Grants and Subsidies	276,092
Miscellaneous Intergovernmental Receivables	179,614
Total Governmental Activities	<u>\$5,892,699</u>

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

The County entered into Tax Increment Financing Agreements with The Longaberger Company during 1999 and Lowe's Home Center, Inc. during 1994 for the construction of a distribution center and infrastructure improvements. To encourage these improvements, the companies were granted an exemption from paying any property taxes on the new construction; however, payments in lieu of taxes are made to the County in an amount equal to the real property taxes that otherwise would have been due. These payments are being used to finance the above improvements and will continue until the earlier of 30 years or until the revenue in lieu of taxes equals or exceeds the costs of the improvements. A receivable for the amount that will be received by the County in fiscal year 2006 has been recorded in the Redevelopment Tax Equivalent Special Revenue Fund and the Brandywine Loop Construction Capital Projects Fund. The receivables represent amounts measurable at December 31, 2005.

During 2005 and in previous years, several tax abatement agreements were entered into between the County and local businesses to encourage economic growth in the County. In addition to the abatements, the businesses also agreed to make tax increment financing payments in lieu of taxes. Each agreement states a specified percentage that the businesses will pay based on what the property taxes would normally have been. The receivables have been recorded in each of the levied funds. The County is not able to record a receivable for the entire amount of all payments because the payments are based upon projected collections.

The County is reflecting a \$380,879 loan receivable in the Debt Service Fund with \$20,000 to be received during 2006. This is the result of a loan made to the County Fairboard during 2002.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

NOTE 10 - CAPITAL ASSETS

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

	<u>Restated Balance December 31, 2004</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2005</u>
<u>Governmental Activities</u>				
Non-Depreciable Capital Assets:				
Land	\$6,174,157	\$6,175	\$0	\$6,180,332
Land Improvements	31,950,520	119,950	0	32,070,470
Construction in Progress	22,236	567,034	(1,087)	588,183
Total Non-Depreciable Capital Assets	<u>38,146,913</u>	<u>693,159</u>	<u>(1,087)</u>	<u>38,838,985</u>
Depreciable Capital Assets:				
Buildings	38,502,258	53,358	0	38,555,616
Machinery, Equipment, Furniture and Fixtures	4,909,681	205,367	(15,929)	5,099,119
Vehicles	4,763,536	297,553	(326,522)	4,734,567
Infrastructure	51,426,316	1,002,293	(1,785,760)	50,642,849
Total Depreciable Capital Assets	<u>99,601,791</u>	<u>1,558,571</u>	<u>(2,128,211)</u>	<u>99,032,151</u>
Accumulated Depreciation:				
Buildings	(6,092,313)	(770,045)	0	(6,862,358)
Machinery, Equipment, Furniture and Fixtures	(3,509,982)	(377,262)	14,488	(3,872,756)
Vehicles	(3,721,980)	(430,669)	299,618	(3,853,031)
Infrastructure	(16,864,026)	(2,376,944)	1,072,629	(18,168,341)
Total Accumulated Depreciation	<u>(30,188,301)</u>	<u>(3,954,920)*</u>	<u>1,386,735</u>	<u>(32,756,486)</u>
Total Depreciable Capital Assets, Net	<u>69,413,490</u>	<u>(2,396,349)</u>	<u>(741,476)</u>	<u>66,275,665</u>
Governmental Capital Assets, Net	<u>\$107,560,403</u>	<u>(\$1,703,190)</u>	<u>(\$742,563)</u>	<u>\$105,114,650</u>

*Depreciation expense was charged to governmental activities as follows:

General Government:	
Legislative and Executive	\$236,764
Judicial	93,463
Public Safety	486,849
Public Works	2,707,414
Health	43,336
Human Services	387,094
Total Depreciation Expense	<u>\$3,954,920</u>

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

	Balance December 31, 2004	Additions	Reductions	Balance December 31, 2005
<u>Business - Type Activities</u>				
Non-Depreciable Capital Assets:				
Land	\$199,100	\$0	\$0	\$199,100
Construction in Progress	896,132	3,204,689	(916,665)	3,184,156
Total Non-Depreciable Capital Assets	<u>1,095,232</u>	<u>3,204,689</u>	<u>(916,665)</u>	<u>3,383,256</u>
Depreciable Capital Assets:				
Buildings	631,558	0	0	631,558
Machinery, Equipment, Furniture and Fixtures	74,148	0	0	74,148
Vehicles	622,824	48,707	(42,095)	629,436
Infrastructure	61,989,675	1,320,954	(32,054)	63,278,575
Total Depreciable Capital Assets	<u>63,318,205</u>	<u>1,369,661</u>	<u>(74,149)</u>	<u>64,613,717</u>
Accumulated Depreciation:				
Buildings	(467,348)	(20,268)	0	(487,616)
Machinery, Equipment, Furniture and Fixtures	(44,810)	(12,054)	0	(56,864)
Vehicles	(473,143)	(95,118)	42,095	(526,166)
Infrastructure	(17,968,052)	(1,485,013)	11,073	(19,441,992)
Total Accumulated Depreciation	<u>(18,953,353)</u>	<u>(1,612,453)</u>	<u>53,168</u>	<u>(20,512,638)</u>
Total Depreciable Capital Assets, Net	<u>44,364,852</u>	<u>(242,792)</u>	<u>(20,981)</u>	<u>44,101,079</u>
Business - Type Activities Capital Assets, Net	<u>\$45,460,084</u>	<u>\$2,961,897</u>	<u>(\$937,646)</u>	<u>\$47,484,335</u>

NOTE 11 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; employee injuries; and natural disasters. The County contracts with County Risk Sharing Authority, Inc. (CORSA) to address property, liability, and crime insurance coverage. 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 and was established May 12, 1987. In addition, the County contracts with Hartford Steam Boiler Inspection and Insurance Company for boiler and machinery coverage. Coverage is as follows:

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

Property Coverage:

Property	\$94,607,989 replacement cost value
Equipment Breakdown	100,000,000 replacement cost value
Crime	1,000,000

Liability Coverage:

Automobile Liability	\$1,000,000 each occurrence
Uninsured/Underinsured Motorists	250,000 each occurrence
General Liability	1,000,000 each occurrence
Stop Gap Liability	1,000,000 each occurrence
Medical Professional Liability	6,000,000 each occurrence
Law Enforcement Liability	1,000,000 each occurrence
Errors and Omissions Liability	1,000,000 each occurrence
	1,000,000 annual aggregate
Excess Liability	5,000,000

Boiler and Machinery Coverage \$100,000,000 limit

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

Settlements have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The County maintains a limited risk health insurance program for employees through McKinley Life Insurance Company. Premiums are paid to a third party administrator, Cardinal, Inc. The claims are processed and monitored by a County insurance administrator in conjunction with the third party administrator. An internal service fund is presented in the financial statements and reflects premiums paid into the Self-Insurance Health Internal Service Fund by other funds which are available to pay claims and administrative costs, and establish claim reserves. An excess coverage insurance policy covers annual individual claims in excess of \$90,000 and aggregate annual claims in excess of \$8,419,634.

From 1992 through 1999, the County maintained a retrospective rating workers' compensation program. Under the retrospective rating program, the County accumulated workers' compensation premiums in the Self-Insurance Workers' Compensation Internal Service Fund based upon rates actuarially determined by the State of Ohio. A portion of the premiums accumulated was paid directly to the State of Ohio, and the remaining premiums were maintained in the Self-Insurance Workers' Compensation Internal Service Fund for the payment of future claims. In 2000, the County rejoined the State of Ohio Workers' Compensation Plan.

The claims liabilities of the Self-Insurance Health and Self-Insurance Workers' Compensation Internal Service Funds of \$1,228,000 and \$14,282, respectively, reported at December 31, 2005 are based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Amounts reported were provided by the County's third party administrators. Changes in the funds' claims liability in 2004 and 2005 were:

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

Fund	Balance at Beginning of Year	Change in Estimate	Current Year Claims	Claims Payments	Balance at End of Year
Self Insurance Health					
2004	\$1,045,890	\$0	\$6,455,097	\$6,323,987	\$1,177,000
2005	1,177,000	0	6,687,127	6,636,127	1,228,000
Self-Insurance					
Workers' Compensation					
2004	25,560	0	0	4,487	21,073
2005	21,073	(6,791)	0	0	14,282

For 2005, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool. (See Note 23) 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 that 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. For Muskingum County, a savings of approximately \$64,440 was realized on the annual premium cost. 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 12 - DEFINED BENEFIT PENSION PLANS

A. Ohio Public Employees Retirement System

The County participates in the Ohio Public Employees Retirement System of Ohio (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.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

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 or (800)-222-7377.

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.

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 \$3,056,549, \$3,018,869, and \$2,611,644, respectively; 97 percent has been contributed for 2005 and 100 percent for 2004 and 2003. Contributions to the member-directed plan for 2005 were \$45,886 made by the County and \$28,785 made by the plan members.

B. State Teachers Retirement System (STRS)

Certified teachers, employed by the school for 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 administered by the State Teachers Retirement Board. STRS Ohio provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS Ohio issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771, by calling (614) 227-4090, or by visiting the STRS Ohio website at www.strsoh.org.

New members have a choice of three retirement plans, a Defined Benefit (DB) Plan, a Defined Contribution (DC) Plan, and a Combined Plan. The DB plan offers an annual retirement allowance based on final average salary times a percentage that varies based on years of service, or an allowance based on member contributions and earned interest matched by STRS Ohio funds, times an actuarially determined annuity factor. The DC Plan allows members to place all their member contributions and employer contributions equal to 10.5 percent of earned compensation into an investment account. Investment decisions are made by the member. A member is eligible to receive a retirement benefit at age 50 and termination of employment.

The Combined Plan offers features of both the DC Plan and the DB Plan. In the Combined Plan, member contributions are invested by the member, and employer contributions are used to fund the defined benefit payment at a reduced level from the regular DB Plan. DC and Combined Plan members will transfer to the Defined Benefit Plan during their fifth year of membership unless they permanently select the DC or Combined Plan. Existing members with less than five years of service credit as of June 30, 2001, were given the option of making a one time irrevocable decision to transfer their account balances from the existing DB Plan into the DC Plan or the Combined Plan. This option expired on December 31, 2001. Benefits are established by Chapter 3307 of the Ohio Revised Code.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

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 2004, 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 \$123,694, \$126,846, and \$123,874, respectively; 100 percent has been contributed for fiscal years 2005, 2004, and 2003. Contributions to the DC and Combined Plans for fiscal year 2005 were \$16 made by the County and \$15 made by the plan members.

NOTE 13 - POST-EMPLOYMENT BENEFITS

A. Ohio Public Employees Retirement System (OPERS)

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in *GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other than Pension Benefits by State and Local Governmental Employers"*.

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 8.00 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 1.00 and 6.00 percent annually for the next eight years and 4.00 percent annually after eight years.

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

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

The number of active contributing participants in the traditional and combined plans as of December 31, 2005 was 376,109 and 355,287 as of December 31, 2004. Actual employer contributions for 2005 which were used to fund postemployment benefits were \$1,236,272. 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.

In December 2001, the Board adopted the Health Care "Choices" Plan. The Choices Plan will be offered to all persons newly hired in an OPERS covered position after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices will incorporate a cafeteria approach, offering a broader range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit. This is in contrast to the ten-year "cliff" eligibility standard for the present Plan.

The benefit recipient will be free to select the option that best meets their needs. Recipients will fund health care costs in excess of their monthly health care benefit. The Plan will also offer a spending account feature, enabling the benefit recipient to apply their allowance toward specific medical expenses, much like a Medical Spending Account.

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)

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System of Ohio (STRS Ohio). Benefits include hospitalization, physicians' fees, prescription drugs, and partial 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 Ohio benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Ohio Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS Ohio. Most 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 Ohio funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2005, the STRS Ohio Board allocated employer contributions equal to 1.0 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$9,515 for 2005.

STRS Ohio pays health care benefits from the Health Care Stabilization Fund. At June 30, 2005, (the latest information available) 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 Ohio had 115,395 eligible benefit recipients.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

NOTE 14 - OTHER EMPLOYEE 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 are paid upon retirement to an employee at varying rates depending on length of service and department policy.

B. Other Health Insurance Options

The County offers additional health insurance options to employees not covered under the health self-insurance program. Cardinal Administrative Services health coverage is one alternative. The County also offers life insurance coverage through MetLife Inc., vision coverage through the Vision Service Plan, Inc., and dental coverage through Cardinal Administrative Services.

C. Early Retirement Incentive

In previous years, the County has offered multiple one-time retirement incentives. The amount of the incentives is based upon the employees' salaries and years of credit needed to be purchased to take advantage of this option. The OPERS requirements vary in that the County can pay for this cost in one-lump sum or over a period of years. The option chosen by the County depends upon the fund balances at the time these payments are due.

NOTE 15 - CAPITAL LEASES-LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for copiers, postage machines, and excavators. During 2005, the County entered into a capitalized lease for a trailer for the engineer's office. Each lease meets the criteria of a capital lease set forth in the Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for the governmental funds.

Equipment acquired by lease has been capitalized in government-wide statements governmental activities in the amount of \$308,390, 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 as part of governmental activities. Governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of \$250,349 at December 31, 2005. Principal payments towards capital leases during 2005 totaled \$57,549 for governmental activities.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

Future minimum lease payments through 2010 for governmental activities are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2006	\$55,735	\$9,173
2007	58,594	6,527
2008	55,356	3,744
2009	15,553	1,478
2010	<u>16,276</u>	<u>756</u>
Total	<u>\$201,514</u>	<u>\$21,678</u>

NOTE 16 - CONTRACTUAL COMMITMENTS

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

<u>Project</u>	<u>Fund</u>	<u>Purchase Commitments</u>	<u>Amounts Paid as of 12/31/2005</u>	<u>Amounts Remaining on Contracts</u>
Manatron Revaluation	Real Estate Assessment	\$816,588	\$392,229	\$424,359
Manatron New Construction	Real Estate Assessment	90,000	9,256	80,744
Job and Family Services Renovation	Public Assistance and Job and Family Services Renovation	809,785	616,160	193,625
Cutler Road Extension	Water Enterprise	232,891	230,789	2,102
Jersey Ridge Pump Station	Water Enterprise	199,026	174,872	24,154
Bartlett Run Sewer	Sewer Enterprise	4,070,695	2,462,284	1,608,411
Brockway Lift Station	Sewer Enterprise	50,194	45,175	5,019
Georgia Road Crestmont Extension	Sewer Enterprise	<u>25,877</u>	<u>21,654</u>	<u>4,223</u>
		<u>\$6,295,056</u>	<u>\$3,952,419</u>	<u>\$2,342,637</u>

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

NOTE 17 - LONG-TERM OBLIGATIONS

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

	Outstanding 12/31/2004	Additions	Deletions	Outstanding 12/31/2005	Amounts Due Within One Year
<u>Governmental Activities</u>					
General Obligation Bonds:					
1999 Various Interest Rate Child Support Enforcement Building Bonds - \$4,000,000	\$3,305,000	\$0	\$155,000	\$3,150,000	\$160,000
1999 Various Interest Rate Juvenile Detention Facility Bonds - \$5,000,000	4,140,000	0	195,000	3,945,000	200,000
1998 Variable Interest Rate County Facilities Refunding Bonds - \$6,905,000	4,715,000	0	375,000	4,340,000	390,000
2002 Various Interest Rate Various Purpose Serial Bonds - \$1,670,000	1,480,000	0	100,000	1,380,000	110,000
2002 Various Interest Rate Various Purpose Term Bonds - \$1,085,000	1,085,000	0	0	1,085,000	0
Total General Obligation Bonds	14,725,000	0	825,000	13,900,000	860,000
Special Assessment Debt:					
1989 7.89% Falls Special Assessment OWDA - \$957,246	215,383	0	47,862	167,521	47,862
1989 7.89% Maysville Special Assessment OWDA - \$445,478	169,283	0	17,819	151,464	17,819
1996 Variable Interest Nob Hill Special Assessment Bonds - \$610,000	445,000	0	25,000	420,000	25,000
2002 Various Interest Rate Ash Meadows Special Assessment Serial Bonds - \$130,000	120,000	0	10,000	110,000	10,000
2002 Various Interest Rate Ash Meadows Special Assessment Term Bonds - \$85,000	85,000	0	0	85,000	0
2003 Various Interest Rate Capital Facilities Refunding Serial Bonds - \$64,000	60,500	0	3,500	57,000	3,500
2003 Various Interest Rate Capital Facilities Refunding Term Bonds - \$17,000	17,000	0	0	17,000	0
Deferred Amount on Refunding	(9,936)	0	(414)	(9,522)	0
Total Special Assessment Debt	1,102,230	0	103,767	998,463	104,181
Compensated Absences	2,698,417	1,216,005	1,063,906	2,850,516	995,864
Long-Term Contracts Payable - TID	14,444,899	61,052	704,578	13,801,373	974,449
Capital Lease	167,563	91,500	57,549	201,514	55,735
Early Retirement Incentive Payable	70,683	645,264	209,982	505,965	132,945
Total Governmental Activities	\$33,208,792	\$2,013,821	\$2,964,782	\$32,257,831	\$3,123,174

(continued)

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

(continued)

	Outstanding 12/31/2004	Additions	Deletions	Outstanding 12/31/2005	Amounts Due Within One Year
<u>Business - Type Activities</u>					
General Obligation Bonds:					
1999 Various Interest Rate East Muskingum General Obligation					
Refunding Bonds - \$1,365,000	\$1,175,000	\$0	\$30,000	\$1,145,000	\$30,000
Unamortized Accounting Loss	(26,627)	0	(1,137)	(25,490)	0
2002 Various Interest Rate Sewer Improvement Serial Bonds - \$940,000	830,000	0	55,000	775,000	60,000
2002 Various Interest Rate Sewer Improvement Term Bonds - \$605,000	605,000	0	0	605,000	0
2003 Various Interest Rate Capital Facilities Refunding Serial Bonds - \$7,641,000	7,349,500	0	291,500	7,058,000	301,500
2003 Various Interest Rate Capital Facilities Refunding Term Bonds - \$2,078,000	2,078,000	0	0	2,078,000	0
Bond Discount	(14,688)	0	(612)	(14,076)	0
Deferred Amount on Refunding	(724,251)	0	(34,442)	(689,809)	0
Total General Obligation Bonds	11,271,934	0	340,309	10,931,625	391,500
Revenue Bonds:					
1990 5.00% Avondale Sewer Revenue Bonds - \$179,000	149,700	0	2,900	146,800	3,100
2002 4.5% Adamsville Sewer Revenue Bonds - \$387,000	375,000	0	6,000	369,000	6,000
2002 4.5% Adamsville Sewer Revenue Bonds - \$46,000	42,000	0	2,000	40,000	3,000
Total Revenue Bonds	566,700	0	10,900	555,800	12,100
OWDA Loans:					
1989 7.89% Maysville Mortgage Revenue OWDA - \$474,813	286,832	0	21,432	265,400	23,123
2002 1.5% Gaysport Waterline Extension OWDA - \$1,231,757	1,148,867	0	34,033	1,114,834	34,545
2002 1.5% Adamsville Water Project OWDA - \$749,580	699,137	0	20,710	678,427	21,022
2003 1.5% Coal Run Water Extension OWDA - \$20,474	238,671	17,884	6,524	250,031	0
2003 1.5% Chandlersville Waterlines OWDA - \$444,572	945,397	40,071	27,944	957,524	28,365
2004 % Chandlersville Waterlines OWDA - \$402	4	21,441	477	20,968	0
Total OWDA Loans	3,318,908	79,396	111,120	3,287,184	107,055
Compensated Absences	52,402	34,369	24,629	62,142	25,354
Total Business - Type Activities	\$15,209,944	\$113,765	\$486,958	\$14,836,751	\$536,009

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2005

Governmental Activities

General Obligation Bonds

During 1999, the County issued \$9,000,000 in various interest rate general obligation bonds used in the construction of a child support enforcement agency building and a juvenile detention facility. The bonds are backed by the full faith and credit of the County and are going to be repaid from property taxes.

The 1998 County Facilities Refunding Bonds were used to refund \$1,745,000 of the outstanding 1990 County Office Building Improvement Bonds, and \$4,545,000 of outstanding 1992 County Jail Facilities Bonds. \$6,760,654 (after discount, underwriting fees, and other issuance costs) was deposited in an irrevocable trust to provide for all future debt service payments on the refunded 1990 County Office Building Bonds and the 1992 County Jail Facilities Bonds. These refunded bonds were fully called during 2002. The refunding bonds will be repaid from building rent and property taxes.

During 2002, the County issued \$1,670,000 in various interest rate Various Purpose Serial Bonds and \$1,085,000 in various interest rate Various Purpose Term Bonds. The proceeds of these bonds were used to purchase a County facility, construct and make improvements to the County Records building, and make a loan to the County Fairboard. These bonds are backed by the full faith and credit of the County and are paid from property taxes. Additionally, the County has entered into an agreement with the County Fairboard whereby the County Fairboard will make yearly payments to the County in amounts equal to the yearly debt service requirements as a source of repayment. This amount is presented as a Loan Receivable on the County's financial statements.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2006	\$860,000	\$667,281	\$1,527,281
2007	895,000	631,951	1,526,951
2008	945,000	594,204	1,539,204
2009	970,000	553,329	1,523,329
2010	1,020,000	503,671	1,523,671
2011-2015	4,720,000	1,853,629	6,573,629
2016-2020	4,090,000	613,679	4,703,679
2021-2022	400,000	29,645	429,645
Total	<u>\$13,900,000</u>	<u>\$5,447,389</u>	<u>\$19,347,389</u>

Special Assessment Bonds

During 1989, the County issued \$957,246 in Falls Special Assessment OWDA and \$445,478 in Maysville Special Assessment OWDA bonds. These bonds were issued to pay the costs of planning and constructing sewer lines.

During 1996, the County issued \$610,000 in variable interest rate Nob Hill Special Assessment Bonds. The proceeds of these bonds were used to pay the costs of planning and constructing sewer lines.

Muskingum County, Ohio

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During 2002, the County issued \$130,000 in various interest rate Ash Meadows Special Assessment Serial Bonds and \$85,000 in various interest rate Ash Meadows Special Assessment Term Bonds. The proceeds of these bonds were used to retire that portion of the County's outstanding Various Purpose Notes that were used to pay the costs of planning and constructing sewer lines.

On December 1, 2003, the County issued \$10,000,000 of Various Purpose General Obligation Capital Facilities refunding bonds that consisted of \$7,905,000 in serial bonds and \$2,095,000 in term bonds with varying interest rates from 1.15% to 4.625%. \$64,000 in serial bonds and \$17,000 in term bonds of the proceeds was used to refund the outstanding 1990 Avondale Special Assessment Bonds.

All special assessment bonded debt will be repaid from the proceeds of special assessments levied against benefited property owners. In the event the property owners do not pay their assessments, the County would be responsible for the debt service payment. Special assessment bond debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2006	\$38,500	\$37,647	\$76,147
2007	43,500	35,872	79,372
2008	43,500	33,594	77,094
2009	48,500	31,276	79,776
2010	48,500	28,606	77,106
2011-2015	280,500	99,311	379,811
2016-2020	130,000	28,641	158,641
2021-2024	45,000	6,757	51,757
2025-2029	11,000	1,226	12,226
Total	<u>\$689,000</u>	<u>\$302,930</u>	<u>\$991,930</u>

Special assessment OWDA debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2006	\$65,681	\$25,168	\$90,849
2007	65,681	19,985	85,666
2008	65,681	14,803	80,484
2009	41,751	9,621	51,372
2010	17,819	6,327	24,146
2011-2014	62,372	11,247	73,619
Total	<u>\$318,985</u>	<u>\$87,151</u>	<u>\$406,136</u>

Mandatory Redemptions

The various purpose series 2002 bond issue consisted of serial and term bonds. The term bonds that were issued during 2002 are subject to mandatory sinking fund redemption. Governmental activities general obligation and special assessment bonds, in the amounts of \$540,000, mature in the year 2019 and \$630,000 mature in the year 2022. The 2019 mandatory redemption is to occur on December 1, in each of the years 2017 and 2018 (with the balance of \$190,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

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<u>Year</u>	<u>Amount</u>
2017	\$170,000
2018	180,000
	<u>\$350,000</u>

The 2022 mandatory redemption is to occur on December 1, in each of the years 2020 and 2021 (with the balance of \$220,000 to be paid at stated maturity on December 1, 2022) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2020	\$200,000
2021	210,000
	<u>\$410,000</u>

The various purpose series 2003 bond issue consisted of serial and term bonds. The term bonds that were issued during 2003 are subject to mandatory sinking fund redemption. Governmental activities special assessment bonds in the amount of \$6,000 mature in the year 2025 and \$11,000 mature in the year 2029. The bonds maturing on December 1, 2025 are subject to mandatory sinking fund redemption in part by lot on December 1, 2024 (with the balance of \$3,000 to be paid at stated maturity on December 1, 2025) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

<u>Year</u>	<u>Amount</u>
2024	\$3,000

The 2029 mandatory redemption is to occur on December 1, in each of the years 2026 through 2028 (with the balance of \$2,500 to be paid at stated maturity on December 1, 2029) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2026	\$3,000
2027	3,000
2028	2,500
	<u>\$8,500</u>

Optional Redemptions

The series 2002 bonds maturing on or after December 1, 2013 are subject to prior redemption on or after December 1, 2012 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at the following redemption prices, plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2012 through November 30, 2013	101.0%
December 1, 2013 and thereafter	100.0%

Muskingum County, Ohio

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The series 2003 bonds maturing on or after December 1, 2014 are subject to prior redemption on or after December 1, 2013 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.

Compensated Absences

The County will pay compensated absences from the General Fund and the Public Assistance, Motor Vehicle and Gasoline Tax, County Home Levy, Starlight School Levy, Dog and Kennel, Child Support Enforcement Agency, Children Services Levy, Real Estate Assessment, Drug Abuse Resistance Education (DARE), Miscellaneous Federal Grants, Delinquent Real Estate Tax and Assessment Collection, Homeland Security, Tuberculosis Clinic, Block Grants, Community Correction, Home Detention (Electronic Monitor), Senior Citizens Levy, Felony Delinquent Care and Custody, Certificate of Title Administration, and Sheriff Levy Special Revenue Funds.

Long-Term Contracts Payable

An agreement between the State of Ohio, Department of Transportation (ODOT), and the Muskingum County Transportation Improvement District (District) was entered into on December 23, 1998. The agreement is for financing the construction of Northpointe Drive Extension located between the City of Zanesville and the Village of Dresden which is reported as part of the County's infrastructure.

The proposed terms call for a loan to be made from the State to the Transportation Improvement District in the amount of \$11,060,000, plus the refinancing of projected accumulated interest in the amount of \$404,129, to be repaid over 20 years, which coincide with the terms of a cooperative and guaranty agreements between Muskingum County, the District, and ODOT. The County, pursuant to the cooperative and guaranty agreements, will make use payments to the Transportation Improvement District in an amount equal to the debt requirements. The County has pledged non-tax revenues for the purpose of making the required use payments. The County is accumulating revenues from a tax increment financing agreement to meet a portion of the required use payments.

As collateral for the loan, the State Infrastructure Bank has received an assignment of all use payments from the County and an assignment of Tax Increment Financing from the Longaberger Company. As of December 31, 2005, the District had drawn down the total authorized amount of \$11,464,129 from the loan and Muskingum County has established a guarantee fund to collateralize the loan.

In March 2003, the District obtained approval for an additional State Infrastructure Loan to finance design revisions and completion of the Northpointe Drive Project. The proposed terms call for a loan amount of \$4,010,000, plus the refinancing of projected accumulated interest in the amount of \$121,202 to be repaid over 10 years. As of December 31, 2005, the District had drawn down the total authorized amount of \$4,131,202.

Based upon the cooperative agreement, the County's financial statements reflect a long-term contract payable in the amount of \$13,801,373 at December 31, 2005. The long-term contracts payable amount reported in the County's financial statements is also reflected on the Transportation Improvement District's financial statements as a loan payable to the State Infrastructure Bank. The County has pledged non-tax revenues for the purpose of making the required use payments.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

Capital Leases

The County has issued capital leases for copiers, postage machines, an excavator, and a trailer. These leases will be repaid through the General Fund and the Public Assistance, Child Support Enforcement Agency and Motor Vehicle and Gasoline Tax Special Revenue Funds.

Early Retirement Incentive Payable

In previous years, the County has offered multiple one-time retirement incentives. The amount of the incentives is based upon the employees' salaries and years of credit needed to be purchased to take advantage of this option. The County will pay the early retirement incentive payable from the Motor Vehicle and Gasoline Tax Special Revenue Fund.

Business-Type Activities

General Obligation Bonds

During 1999, the County issued \$1,365,000 in East Muskingum Sewer General Obligation Refunding Bonds. The proceeds were used to pay \$1,292,100 in outstanding 1990 East Muskingum Sewer Revenue bonds which resulted in a current refunding of the 1990 bonds outstanding. These refunding bonds will be repaid from Sewer Enterprise Fund revenues. The refunding resulted in a difference between the net carrying amount of the debt and the acquisition price. This difference, reported in the accompanying financial statements as an increase to bonds payable, is being amortized to interest expense through the year 2029 using the straight-line method. The amount amortized for 2005 is \$1,137. The County completed the current refunding to reduce its total debt service payments over the remaining 16 years of the refunded bonds. Issuance costs associated with the bond issue in the amount of \$26,053 are deferred and will be amortized over the life of the bonds using the straight-line method.

During 2002, the County issued \$940,000 in various interest rate Sewer Improvement Serial Bonds and \$605,000 in various interest rate Sewer Improvement Term Bonds. The proceeds of these bonds were used to retire outstanding bond obligation notes that were used in the planning and construction of sanitary sewer lines within the County and will also be used for additional planning and construction of sanitary sewer lines. These bonds will be repaid from fees paid for the services provided by these sanitary improvements.

On December 1, 2003, the County issued \$10,000,000 of Various Purpose General Obligation Capital Facilities Refunding Bonds that consisted of \$7,905,000 in serial bonds and \$2,095,000 in term bonds with varying interest rates from 1.15% to 4.625%. \$930 of the proceeds was used to refund outstanding Avondale general obligation bonds. \$9,718,070 of the proceeds were used to refund outstanding East Muskingum Sewer Revenue Bonds, East Muskingum Series F Improvement Bonds, and Water Resource Revenue Bonds.

The capital facilities refunding bonds were sold at a discount of \$15,906 that will be amortized over the life of the bonds using the straight-line method. Issuance costs associated with the bond issue in the amount of \$196,611 are deferred and will be amortized over the life of the bonds using the straight-line method.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31,	Principal	Interest	Total
2006	\$391,500	\$476,128	\$867,628
2007	401,500	467,128	868,628
2008	411,500	456,832	868,332
2009	416,500	445,259	861,759
2010	431,500	431,237	862,737
2011-2015	2,399,500	1,905,224	4,304,724
2016-2020	2,910,000	1,377,713	4,287,713
2021-2025	3,245,000	688,540	3,933,540
2026-2030	1,054,000	92,287	1,146,287
Total	<u>\$11,661,000</u>	<u>\$6,340,348</u>	<u>\$18,001,348</u>

Mandatory Redemptions

The various purpose series 2003 bond issue consisted of serial and term bonds. The term bonds that were issued during 2003 are subject to mandatory sinking fund redemption. Business-type general obligation bonds in the amount of \$1,129,000 mature in the year 2025 and \$949,000 mature in the year 2030. The bonds maturing on December 1, 2025 are subject to mandatory sinking fund redemption in part by lot on December 1, 2024 (with the balance of \$577,000 to be paid at stated maturity on December 1, 2025) at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date, as follows:

Year	Amount
2024	\$552,000

The 2030 mandatory redemption is to occur on December 1, in each of the years 2026 through 2029 (with the balance of \$92,500 to be paid at stated maturity on December 1, 2030) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

Year	Amount
2026	\$597,000
2027	82,000
2028	82,500
2029	95,000
	<u>\$856,500</u>

Optional Redemptions

The various purpose series 2002 bonds maturing on or after December 1, 2013 are subject to prior redemption on or after December 1, 2012 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at the following redemption prices, plus accrued interest to the redemption date:

Muskingum County, Ohio

**Notes to the Basic Financial Statements
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<u>Redemption Dates</u>	<u>Redemption Prices</u>
December 1, 2012 through November 30, 2013	101.0%
December 1, 2013 and thereafter	100.0%

The series 2003 bonds maturing on or after December 1, 2014 are subject to prior redemption on or after December 1, 2013 by and at the sole option of the County, either in whole or in part on any date and in integral multiples of \$5,000, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the redemption date.

Revenue Bonds

Revenue bonds will be paid from revenues derived by the County from the operation of the sewer system.

During 1990, the County issued \$179,000 in Avondale Sewer Revenue bonds. The proceeds were used to pay the costs of installing and constructing sewer lines.

During 2002, the County issued \$433,000 in Adamsville Sewer Revenue bonds. The proceeds were used to retire outstanding sewer improvement notes which were originally issued to pay costs of constructing, installing, and equipping a wastewater collection system and treatment facility.

Revenue bond debt service requirements to maturity are as follows:

Year Ending December 31,	Principal	Interest	Total
2006	\$12,100	\$25,745	\$37,845
2007	13,200	25,185	38,385
2008	13,400	24,575	37,975
2009	13,600	23,955	37,555
2010	13,700	23,325	37,025
2011-2015	76,600	106,720	183,320
2016-2020	77,700	88,135	165,835
2021-2025	82,300	70,050	152,350
2026-2030	98,200	49,160	147,360
2031-2035	59,000	29,655	88,655
2036-2039	67,000	15,705	82,705
2040-2043	29,000	1,980	30,980
Total	\$555,800	\$484,190	\$1,039,990

Mandatory Redemptions

The various purpose series 2002 bond issue consisted of serial and term bonds. The term bonds that were issued during 2002 are subject to mandatory sinking fund redemption. Bonds for business-type activities in the amount of \$275,000 mature in the year 2019 and \$330,000 mature in the year 2022. The 2019 mandatory redemption is to occur on December 1, in each of the years 2017 and 2018 (with the balance of \$100,000 to be paid at stated maturity on December 1, 2019) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

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<u>Year</u>	<u>Amount</u>
2017	\$85,000
2018	90,000
	<u>\$175,000</u>

The 2022 mandatory redemption is to occur on December 1, in each of the years 2020 and 2021 (with the balance of \$115,000 to be paid at stated maturity on December 1, 2022) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Year</u>	<u>Amount</u>
2020	\$105,000
2021	110,000
	<u>\$215,000</u>

Ohio Water Development Authority (OWDA) Loans

During 2005, the County received additional OWDA loan proceeds associated with the Coal Run Water Extension and the Chandlersville Waterlines projects in the amounts of \$17,884 and \$61,512, respectively. These loans will be repaid from the revenues derived from the operation of the water systems. Amortization schedules for the Coal Run Water Extension and 2004 Chandlersville Waterlines loans will not be available until the entire amount of the loans have been drawn down or the projects are complete.

Annual debt service requirements to maturity for the Maysville Mortgage Revenue OWDA, Gaysport Waterline Extension, Adamsville Water Project OWDA, and the 2003 Chandlersville OWDA loans are as follows:

Year Ending December 31,	Principal	Interest	Total
2006	\$107,055	\$61,888	\$168,943
2007	110,143	58,800	168,943
2008	113,394	55,549	168,943
2009	116,819	52,123	168,942
2010	120,432	48,510	168,942
2011-2015	596,084	182,535	778,619
2016-2020	502,197	122,202	624,399
2021-2025	541,159	83,241	624,400
2026-2030	583,144	41,256	624,400
2031-2032	225,758	4,247	230,005
Total	<u>\$3,016,185</u>	<u>\$710,351</u>	<u>\$3,726,536</u>

Compensated Absences

The County will pay compensated absences from the Water and Sewer Enterprise Funds.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
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Conduit Debt

Pursuant to State Statute, various industrial revenue bonds have been issued for private industry within the 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, \$99,840,000 of industrial revenue bonds have been issued, and \$54,145,000 remained outstanding.

Escrow Trust Agreement

Effective December 1, 2003, the County entered into an Escrow Trust Agreement with JP Morgan. The agreement provides that the County deposit refunding bond proceeds into an irrevocable trust with the bank for the payment to the final maturity of the outstanding bonds from U.S. Treasury obligations. The funds deposited, together with interest thereon, shall be sufficient to pay annual principal and semi-annual interest payments, thus providing an in substance defeasance. As a result, the liability for the 2001 Water Resource bonds was removed from the County's financial statements. As of December 31, 2004, \$7,390,069 of the refunded bonds remained outstanding.

The County's overall legal debt margin at December 31, 2005 was \$25,494,621.

NOTE 18 - NOTES PAYABLE

The following summarizes the note transactions for the year ended December 31, 2005:

	Interest Rate	Outstanding 12/31/2004	Issued	Retired	Outstanding 12/31/2005
Capital Projects Funds:					
Energy Conservation Loan	5.60%	\$316,294	\$0	\$72,733	\$243,561
Brandywine Extension	2.59%	103,000	0	103,000	0
Job and Family Services Renovation	4.00%	850,000	850,000	850,000	850,000
Issue 2	2.00%	16,918	0	8,375	8,543
Issue 2	2.00%	265,723	0	57,010	208,713
Issue 2	2.00%	155,188	0	43,242	111,946
Total Capital Projects Funds		1,707,123	850,000	1,134,360	1,422,763
Sewer Enterprise Fund	4.00%	2,080,000	2,080,000	2,080,000	2,080,000
Sewer Enterprise Fund	4.00%	0	3,300,000	0	3,300,000
Total Proprietary Funds		2,080,000	5,380,000	2,080,000	5,380,000
Total All Funds		\$3,787,123	\$6,230,000	\$3,214,360	\$6,802,763

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All notes are bond anticipation or revenue anticipation notes and are backed by the full faith and credit of the County. The note liability is reflected in the fund which received the proceeds. The Energy Conservation Loan has a remaining maturity of three years and will be retired with savings from energy conservation measures. The Brandywine Extension and Job and Family Services Renovation bond anticipation notes have a maturity of one year and will be reissued until paid or bonds are issued. The Issue 2 revenue anticipation notes have a remaining maturity of four years and will be retired from the Motor Vehicle and Gasoline Tax Major Special Revenue Fund. The Sewer Enterprise Fund bond anticipation notes have a maturity of one year and will be reissued until paid or bonds are issued. These notes were issued for the purpose of paying initial costs of sewer line construction.

Annual debt service requirements to maturity for the Energy Conservation Loan are reflected in the following table:

Year Ending December 31,	Principal	Interest	Total
2006	\$76,805	\$13,639	\$90,444
2007	81,107	9,338	90,445
2008	85,649	4,796	90,445
Total	<u>\$243,561</u>	<u>\$27,773</u>	<u>\$271,334</u>

Annual debt service requirements to maturity for the Issue 2 revenue anticipation notes are as follows:

Year Ending December 31,	Principal	Interest	Total
2006	\$110,811	\$6,033	\$116,844
2007	104,323	3,849	108,172
2008	83,355	1,752	85,107
2009	30,713	307	31,020
Total	<u>\$329,202</u>	<u>\$11,941</u>	<u>\$341,143</u>

NOTE 19 - OPERATING LEASES-LESSEE DISCLOSURE

The County has entered into a lease for land and a building in conjunction with the City of Zanesville. The County and City lease the Anchor Glass Facilities from the Zanesville-Muskingum County Port Authority and in turn rent the facilities month to month to the Anchor Glass Corporation. During 2005 the County incurred expenditures of \$58,676 for the operating lease. The rental payments for the land and building through 2008 are as follows:

Year Ending December 31,	Amount
2006	\$130,750
2007	134,000
2008	121,469
Total	<u>\$386,219</u>

Muskingum County, Ohio

**Notes to the Basic Financial Statements
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NOTE 20 - INTERFUND TRANSACTIONS

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

<u>Interfund Payable</u>	<u>Interfund Receivable</u>			<u>Total</u>
	<u>Major Funds</u>			
	<u>General</u>	<u>Sewer</u>	<u>Other Nonmajor Governmental</u>	
Major Funds:				
Public Assistance	\$4,770	\$0	\$0	\$4,770
County Home Levy	47,000	0	0	47,000
Other Nonmajor Governmental	182,244	6,266	1,723	190,233
Total All Funds	\$234,014	\$6,266	\$1,723	\$242,003

The above 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. Also, short-term interfund loans were advanced from the General Fund to various funds of the County. All amounts are expected to be repaid within one year.

Interfund transfers during 2005 consisted of the following:

<u>Transfer from</u>	<u>Transfer to</u>								<u>Totals</u>
	<u>Major Funds</u>								
	<u>General</u>	<u>Public Assistance</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>County Home Levy</u>	<u>Starlight School Levy</u>	<u>Sewer</u>	<u>Water</u>	<u>Other Nonmajor Governmental</u>	
Major Funds:									
General Fund	\$0	\$421,999	\$0	\$0	\$622	\$29,279	\$0	\$1,731,691	\$2,183,591
Public Assistance	0	0	0	0	0	0	0	21,934	21,934
Motor Vehicle and Gasoline Tax	0	0	0	0	0	0	0	452,575	452,575
Starlight School Levy	0	0	0	0	0	0	0	350,000	350,000
Sewer	0	0	0	0	0	0	0	44,157	44,157
Other Nonmajor Governmental	1,109,192	0	1,438	0	0	0	0	410,583	1,521,213
Self -Insurance Workers' Compensation	172,544	45,278	17,637	21,719	46,574	0	4,694	62,201	370,647
Total All Funds	\$1,281,736	\$467,277	\$19,075	\$21,719	\$47,196	\$29,279	\$4,694	\$3,073,141	\$4,944,117

Muskingum County, Ohio

**Notes to the Basic Financial Statements
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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 become due, to move monies back to the General Fund pursuant to court orders, and to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 21 - JOINTLY GOVERNED ORGANIZATIONS

A. South East Ohio Joint Solid Waste Management District

The County is a member of the South East Ohio Joint Solid Waste Management District (District), which is a jointly governed organization. The purpose of the District is to make disposal of waste in the six-county area more comprehensive in terms of recycling, incinerating, and land filling. The District was created in 1989 as required by the Ohio Revised Code.

The District is governed and operated through three groups. An eighteen member board of directors, comprised of three commissioners from each county, is responsible for the District's financial matters. Financial records were maintained by Muskingum County until May 1993 at which time Noble County assumed the responsibility. The District's sole revenue source is a waste disposal fee for in-district and out-of-district waste. Although the County contributed amounts to the District at the time of its creation, no contributions were received from the County in 2005. No future contributions by the County are anticipated.

A forty-three member policy committee, comprised of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Continued existence of the District is not dependent on the County's continued participation. The County does not have an equity interest in or a financial responsibility for the District. The District has no outstanding debt.

B. Mental Health and Recovery Services Board

The Mental Health and Recovery Services Board is a jointly governed organization whose participants are Muskingum, Coshocton, Guernsey, Perry, Morgan, and Noble Counties. The Board has the responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The Board is managed by a eighteen member board of trustees; three appointed by the Muskingum County Commissioners, seven appointed by the commissioners of the other participating counties, four by the director of the State Department of Alcohol and Drug Addiction, and four appointed by the Director of the State Department of Mental Health. The Board exercises total control, including budgeting, appropriating, contracting, and designating management.

During 2005, Muskingum County contributed \$969,431 in tax levy revenue money through a 1.0 mill levy. The remaining revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Since Muskingum County serves as the fiscal agent for the Board, the financial activity, other than the property tax levy revenue, is presented in an agency fund. Continued existence of the Board is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the Board. The Board has no outstanding debt.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

C. Mid East Ohio Regional Council of Governments (MEORC)

The Mid East Ohio Regional Council of Governments (MEORC) is a jointly governed organization which serves seventeen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. MEORC is made up of the superintendents of each county's Board of Mental Retardation and Developmental Disabilities. Revenues are generated by fees and state grants. During 2005, the County contributed \$39,460 to MEORC. Continued existence of MEORC is not dependent on the County's continued participation, and the County has no equity interest in or financial responsibility for MEORC. MEORC has no outstanding debt.

D. Southeast Area Transit Authority (SEAT)

The Southeast Area Transit Authority (SEAT) was created pursuant to State statutes in 1979. The County, the City of Zanesville, and the Village of South Zanesville appoint members to the SEAT's Board of Directors. The County appoints two members, the City of Zanesville appoints six members and the Village of South Zanesville appoints one member. During 2005, the County made no contributions to SEAT. The continued existence of the SEAT is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the SEAT. The SEAT has no outstanding debt. The SEAT is a component unit of the City of Zanesville.

E. Zanesville-Muskingum Family and Children First Council

The Zanesville-Muskingum Family and Children First Council is a jointly governed organization created under Ohio Revised Code Section 121.37. The Council is comprised of the following members: Director of the Zanesville-Muskingum County Health Department, Superintendent of the Zanesville City School District, Superintendent of the Muskingum County Educational Service Center, Superintendent of the Muskingum County Board of Mental Retardation and Developmental Disabilities, Director of the ADAMH Board, Director of the Muskingum County Department of Job and Family Services, Director of the Muskingum County Children Services Board, Superintendent of Muskingum Starlight Industries, Inc., a United Way representative, an Eastside Community Services representative, a Zanesville Civic League representative, a Behavioral Health representative, a county commissioner, representatives from the public sector, and a representative from a local hospital. During 2005, the County contributed \$30,342 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.

F. Area Agency on Aging

The Area Agency on Aging is a regional council of governments that assists nine counties including Muskingum County in providing services to senior citizens in the Council's service area. The Area Agency on Aging is governed by a board of directors comprised of one representative appointed by each participating county. The board has total control over budgeting, personnel, and all other financial matters. The Area Agency on Aging receives Title III monies to be used for programs within the member counties. During 2005, the County contracted with the Area Agency on Aging to provide senior citizens services. A local not-for-profit corporation (The Muskingum County Senior Citizens Center) provided the senior citizens services pursuant to the County's contract. The continued existence of the Council is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the Council. The Area Agency on Aging has no outstanding debt.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

G. Ohio Mid-Eastern Governments Association (OMEGA)

The Ohio Mid-Eastern Governments Association (OMEGA) is a ten-county regional council of governments comprised of Belmont, Carroll, Coshocton, Columbia, Guernsey, Harrison, Holmes, Jefferson, Muskingum, and Tuscarawas Counties. OMEGA was formed to assist the participating counties in the application for 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 cities within each county. City membership is voluntary. The county commissioners from each county currently appoint one member to the board of directors. The board has total control over budgeting, personnel, and financial matters. Each member currently pays a nine cent per capita membership fee based upon the most recent U.S. census. During 2005, OMEGA received \$8,850 from Muskingum 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 a financial responsibility for OMEGA. OMEGA has no outstanding debt.

H. Licking-Muskingum Community Based Correctional Facility (CBCF)

The Licking-Muskingum Community Based Correctional Facility (CBCF) is a four-county facility created pursuant to Ohio Revised Code Section 2301.51. The CBCF serves Licking, Muskingum, Coshocton, and Knox Counties. The CBCF was formed in 1994 to offer treatment, education, work, and other rehabilitation services to convicted felons within the four counties. The CBCF is governed by a seven member board comprised of two common pleas court judges from Licking, Muskingum, and Coshocton Counties and one common pleas court judge from Knox County. The common pleas judges and the respective county commissioners appoint a thirteen member citizens advisory board to assist in the operation of the CBCF. The board has total control over budgeting, personnel, and financial matters. The CBCF receives funding in the form of state grant monies which are used to provide the various services of the CBCF. Licking County serves as fiscal agent for the CBCF. During 2005, the CBCF received no monies from Muskingum County. The continued existence of the CBCF is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the CBCF. The CBCF has no outstanding debt.

I. Zanesville-Muskingum County Port Authority

The Zanesville-Muskingum County Port Authority (Authority) is a jointly governed organization under the laws of the State of Ohio. The Authority is governed by a four member board of directors. The board is comprised of two members appointed by Muskingum County and two members appointed by the City of Zanesville. The Authority's primary function is to promote economic growth and development in the County. The Authority derives its revenues from rental income, interest income, and annual contributions from the County and the City. The County and the City currently lease the Anchor Glass Facilities from the Authority pursuant to a 1988 operating lease agreement. The County and the City sublease the facilities to the Anchor Glass Corporation. The payments are used for the payment of the Authority's outstanding bonds. The County's share of the Anchor Glass Corporation's rent income and the related operating lease payments are reflected in the General Fund. In addition to the required operating lease and long-term contract payable payments, the County contributed \$14,250 for workforce development to the Authority during 2005. Separately issued financial statements can be obtained from the Zanesville-Muskingum County Port Authority, Zanesville, Ohio.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

J. Perry Multi-County Juvenile Facility

The Perry Multi-County Juvenile Facility (Facility) is a jointly governed organization created to rehabilitate juvenile offenders in lieu of commitment to the Ohio Department of Youth Services. The Facility has an eight member governing board that consists of one juvenile court judge, or designee, from the counties of Coshocton, Delaware, Fairfield, Knox, Licking, Morgan, Muskingum, and Perry. The Facility also has an executive committee that handles the daily operations of the Facility and reports to the governing board. The executive committee is composed of the officers of the governing board. The Facility's revenues will consist of an annual grant applied for by the Director of the Facility and charges for services from the participating counties. During 2005, the County made no contributions to the Facility for the housing of juvenile offenders. Continued existence of the Facility is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding.

K. Muskingum County Center for Seniors

The Muskingum County Center for Seniors (Center) is a jointly governed organization which operates as a not-for-profit organization created under 501(c)(3) of the Internal Revenue Code. The Center provides various services to seniors, including transportation services, nutritional and physical fitness information and instruction, meals, and legal counseling. The Center is governed by a seven member board consisting of three members appointed by the Muskingum County Board of County Commissioners, three members appointed by the Mayor of the City of Zanesville, and one member appointed by the above appointed six members. The Center was the recipient of support from the Muskingum County Senior Services Levy. Additional revenue is provided through contracts with the Area Agency on Aging. Continued existence of the Center is not dependent upon the County's continued participation, no equity interest exists, and no debt is outstanding.

NOTE 22 - RELATED ORGANIZATIONS

A. Muskingum County Convention Facilities Authority

The Muskingum County Convention Facilities Authority (Authority) was created pursuant to State statutes for the purpose of acquiring, constructing, equipping, and operating a convention facility in Muskingum County. The Authority operates under the direction of an eleven member appointed board of directors. The board consists of six members appointed by Muskingum County, three members appointed by the Mayor of the City of Zanesville and two members appointed by the remaining municipal corporations located within the County. The board exercises total control over the operation of the district including budgeting, appropriating, contracting, and designating management. The authority receives funding in the form of excise tax on hotels and motels in the amount of three percent of each transaction occurring within the boundaries of Muskingum County. The County is prohibited from contributing to the operations of the Convention Authority by State Law. During 2005, the Authority received \$399,766 from excise taxes and rental income. The Authority has no outstanding debt. Complete financial information can be obtained from the Muskingum County Conventions Facilities Authority, Zanesville, Ohio.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

B. Zanesville Metropolitan Housing Authority

The Zanesville Metropolitan Housing Authority (Authority) was created in 1938, and currently operates pursuant to Ohio Revised Code Section 3735.27. The Authority is governed by a five member board. Muskingum County appoints three members and the City of Zanesville appoints two members. The board adopts their own appropriations, is their own contracting authority, hires and fires their own staff, authorizes all expenditures, and does not rely on the County or the City to finance deficits. The Authority receives funding from the federal government in the form of grants. All monies are received directly by the Authority in the Authority's name. The County is not financially accountable for the Authority and the Authority is not fiscally dependent on the County. The Authority has no outstanding debt. The Authority is a stand-alone government, and complete financial information can be obtained from the Zanesville Metropolitan Housing Authority, Zanesville, Ohio.

C. Muskingum County Park District

The Muskingum County Park District was created pursuant to the laws of the State of Ohio. The Park District is a legally separate entity which is governed by a three member board appointed by the probate court judge. The Park District Board may adopt budgets, hire and fire employees, and issue revenue debt without the approval of the County. The Park District received local government and local government revenue assistance monies during 2005. The County serves as fiscal agent for the Park District and the activity is reflected in the Park District Agency Fund.

NOTE 23 - PUBLIC ENTITY POOLS

A. County Risk Sharing Authority, Inc. (CORSA)

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

Each member county has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. CORSA has issued certificates of participation in order to provide adequate cash reserves. The certificates are secured by the member counties' obligations to make coverage payments to CORSA. The participating counties have no responsibility for the payment of the certificates. The County does not have an equity interest in or a financial responsibility for CORSA. Any additional premium or contribution amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2005 was \$290,303.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

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 of Ohio 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 the meeting held in the month of December each year. No participant can have more than member of the group executive committee in any year, and each elected members shall be a county commissioner.

NOTE 24 - RELATED PARTY TRANSACTIONS

Muskingum Starlight Industries, Inc., a discretely presented component unit of Muskingum County, received contributions from the County for facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of its programs. These contributions are reflected as in-kind contributions and expenses at cost or fair market value as applicable, in the basic financial statements. In 2005, these contributions were \$175,475.

The Transportation Improvement District currently shares office space of Zanesville-Muskingum County Port Authority in the Welcome Center, located at 205 N. Fifth Street, Zanesville.

NOTE 25 - FUND EQUITY RESERVES

The following reservations of fund balances existed as of December 31, 2005:

Muskingum County, Ohio

Notes to the Basic Financial Statements
December 31, 2005

Fund Type/Reserve Type	Amount
<u>General Fund:</u>	
Reserved for Encumbrances	\$218,675
Reserved for Claimants	125,941
Total General Fund	<u>344,616</u>
<u>Major Funds:</u>	
Public Assistance	
Reserved for Encumbrances	1,205,064
Motor Vehicle and Gasoline Tax	
Reserved for Encumbrances	138,437
Starlight School Levy	
Reserved for Encumbrances	113,192
Total Major Funds	<u>1,456,693</u>
<u>Nonmajor Funds:</u>	
Reserved for Encumbrances	687,718
Reserved for Loans Receivable	360,879
Reserved for Loan Guarantee	925,000
Reserved for Long-Term Contracts Payable	403,838
Total Non-major Funds	<u>2,377,435</u>
Grand Total All Reserves	<u><u>\$4,178,744</u></u>

NOTE 26 - FOOD STAMPS

The County's Department of Job and Family Services (Welfare) distributes, through contracting issuance centers, federal food stamps to entitled recipients within Muskingum 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. During 2005, the County's Department of Job and Family Services eliminated their food stamp inventory on hand.

NOTE 27 - CONTINGENT LIABILITIES

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.

Claims and lawsuits are pending against the County. Based upon information provided by the County's legal counsel, any potential liability and effect on the financial statements, if any, is not determinable at this time.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

NOTE 28 - TRANSPORTATION IMPROVEMENT DISTRICT

A. Reporting Entity

The Transportation Improvement District, Muskingum County (the District), is a body politic and corporate, created for the purpose of financing, constructing, maintaining, repairing, and operating selected transportation projects. The District was specifically formed under the auspices of House Bill 154, and Ohio Revised Code Chapter 5540, as amended, and created by action of the Board of County Commissioners of Muskingum County on November 20, 1995.

The District is governed by a Board of Directors that acts as the authoritative and legislative body of the entity. The Board is comprised of seven members, with five members appointed by a majority vote of the Board of Commissioners of Muskingum County.

The Board of Directors appoints a Chairman, who presides at all meetings and is the chief officer of the District. He has the authority to sign all contracts, releases, notes, bonds and other instruments and documents to be executed on behalf of the District. He is the chief officer of the District for the purpose of civil process and is authorized to accept such services on behalf of the District. He performs such other duties and has such authority as may be provided from time to time by the Board.

The District is a discretely presented component unit in Muskingum County's December 31, 2005 Comprehensive Annual Financial Report, as defined by the provisions of GASB Statement No. 14 and No. 39. Also, the Zanesville-Muskingum County Port Authority serves as the Administrative Agent for the Muskingum County Transportation Improvement District. The District's management believes these financial statements represent all activities for which the District is financially accountable.

B. Summary of Significant Accounting Policies

The financial statements of the Transportation Improvement District 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 more significant of the District's accounting policies are described below.

Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities.

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. 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 District, with certain limitations. 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 District.

Fund Accounting

The District 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. All of the District's funds are classified as governmental.

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 District'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 District for any purpose provided it is expended or transferred according to the general laws of Ohio.

Debt Service Fund The Debt Service Fund is used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs.

Northpointe Capital Projects Fund. The Northpointe Capital Projects Fund is used to account for loan proceeds received from the State Infrastructure Bank for the Northpointe Drive Project.

State Route 93/22 Capital Projects Fund The State Route 93/22 Capital Projects Fund is used to account for grant monies for the State Route 93/22 project.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the District 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.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

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. 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 Nonexchange 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 fiscal 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 District, available means expected to be received within sixty days of the fiscal year-end.

Nonexchange transactions, in which the District receives value without directly giving equal value in return, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis.

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

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

Cash and Cash Equivalents

To improve cash management, cash received by the District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the District's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

Beginning July 1, 2004, the District contracted with the Muskingum County Auditor to act as fiscal agent. The County Treasurer is custodian for this cash and the District's assets are held in the County's cash and investment pool, and are valued at the County Treasurer's reported carrying amount.

Capital Assets

The District reports no capital assets. A road constructed by the District has been completed but through contractual agreements, Muskingum County uses and maintains the road. The County reports this road as a capital asset on its books. The asset will revert to the County upon full payment of the related debt.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions, enabling legislation, or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

C. Equity in Pooled Cash and Investments

The County Auditor serves as fiscal officer of the Board. The Ohio Revised Code prescribes allowable deposits and investments for both the District and the County. At December 31, 2005, the District had cash and investments with a carrying amount of \$113,748, which is included in and collateralized with Muskingum County's cash management pool.

D. Accountability

At December 31, 2005, the Northpointe Drive Fund had a deficit fund balance in the amount of \$799,056, and the General Fund had a deficit fund balance in the amount of \$14,700. These deficits resulted from the recognition of accrued liabilities in accordance with generally accepted accounting principles.

E. Receivables

Receivables at December 31, 2005 consisted contracts and intergovernmental grants. All receivables are considered collectible in full due to the current fiscal year guarantee of federal funds, and the executed contracts with the Muskingum County Commissioners.

A summary of the principal items of intergovernmental and contracts receivables follows:

Governmental Activities:	
Intergovernmental Receivable	\$829
Contract Receivable	<u>13,801,373</u>
Total	<u><u>\$13,802,202</u></u>

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

F. Long-Term Obligations

Changes in the long-term obligations of the District during 2005 were as follows:

	Outstanding 1/1/2005	Additions	(Reductions)	Outstanding 12/31/2005	Amounts Due Within One Year
Governmental Activities:					
General long-term obligations:					
State Infrastructure Bank - 4%	\$10,374,749	\$0	(\$474,201)	\$9,900,548	\$503,277
State Infrastructure Bank - 3% additional loan proceeds	4,070,150	61,052	(230,377)	3,900,825	471,172
Total general long-term obligations	\$14,444,899	\$61,052	(\$704,578)	\$13,801,373	\$974,449

The annual requirements to retire governmental activities debt are as follows:

	Loans			
	Principal	Interest	Principal	Interest
2006	\$503,277	\$412,983	\$471,172	\$113,517
2007	528,119	393,832	485,414	99,276
2008	550,803	371,148	500,085	84,604
2009	574,461	347,490	515,200	69,489
2010	599,135	322,816	530,772	53,917
2011-2015	3,404,510	1,205,245	1,398,182	63,543
2016-2020	3,740,243	408,536	0	0
	\$9,900,548	\$3,462,050	\$3,900,825	\$484,346

The District accepted the terms of a loan agreement on June 15, 1999 and entered into a loan agreement with the Ohio Department of Transportation where the District is to receive up to \$11,060,000 of loan proceeds, plus the refinancing of accumulated interest in the amount of \$404,129, to be repaid over 20 years. As collateral for the loan, the State Infrastructure Bank has received an assignment of all use payments from Muskingum County and an assignment of Tax Increment Financing from the Longaberger Company. As of December 31, 2005, the District had drawn down the total authorized amount of \$11,464,129.

In March 2003, the District obtained approval for an additional State Infrastructure Loan to finance design revisions and completion of the Northpointe Drive Project. The proposed terms call for a loan amount of \$4,010,000, plus the refinancing of projected accumulated interest in the amount of \$121,202 to be repaid over 10 years. In 2004, \$60,150 of accrued interest was added to the loan balance, and the remaining balance of \$61,052 of accrued interest was added during 2005. As collateral for the loan, the State Infrastructure Bank has received an assignment of all use payments from Muskingum County and an assignment of Tax Increment Financing from the Longaberger Company. As of December 31, 2005, the District had drawn down all of the \$4,131,203 total authorized.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

G. Contractual Commitments

As of December 31, 2005, the District is currently negotiating the final amounts owed on the completion of the Northpointe Drive project. Currently the balance on the remaining negotiated amount is \$57,014 owed to American Electric Power, which is reflected in these financial statements within contracts payable.

Also, \$829 in contracts payable is included in these financial statements for the 93/22 road project.

H. Current Project

The 93/22 road project is in process at December 31, 2005.

I. Risk Management

The District has obtained commercial insurance for the following risks:

- General liability, and
- Vehicles

J. Intergovernmental Loan

In 1999 Muskingum County advanced the District \$1,620,000 in funding for the Northpointe Drive Extension Project. The District repaid \$750,000 of the loan on July 27, 2000 with proceeds from the State Infrastructure Bank loan. On March 31, 2005, the District repaid \$20,000 of the loan with loan proceeds.

K. Related Party Transaction

The Transportation Improvement District currently shares office space with Zanesville-Muskingum County Port Authority in the Welcome Center, located at 205 N. Fifth Street, Zanesville.

NOTE 29 - MUSKINGUM STARLIGHT INDUSTRIES, INC.

A. Summary of Significant Accounting Policies

The summary of significant accounting policies of Muskingum Starlight Industries, Inc. is presented to assist in understanding the company's financial statements. The financial statements and notes are representations of the company's management who are responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Organization and Purpose

Muskingum Starlight Industries, Inc. is a not-for-profit organization located in Zanesville, Ohio. The Organization is a sheltered workshop for mentally and developmentally handicapped adults and provides job and learning skills to their clients. The Organization operates under the mandate of the Muskingum County Board of Mental Retardation and Development Disability which provides a facility for the workshop along with an administrative staff.

Muskingum County, Ohio

Notes to the Basic Financial Statements December 31, 2005

Basis of Accounting

The financial statements of Muskingum Starlight Industries, Inc. have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity date of six months or less to be cash equivalents.

Inventory

Inventory is valued at cost on the first-in, first-out basis.

Investments

Investments are stated in the financial statements at fair market value. Investment income or loss is included in the excess of revenue over expenses. Unrealized gains and losses on investments are calculated from the net change in market values during the year. Realized gains and losses result at the time in which the financial instrument is sold.

Property and Equipment

Property and equipment additions are recorded at cost. Depreciation is provided on assets purchased before 1987 on the straight-line method over the estimated useful lives of the respective assets. Assets purchased after 1986 are depreciated under the Modified Accelerated Cost Recovery system as prescribed by the Tax Reform Act of 1986.

Income Tax Status

No federal income taxes are applicable as the corporation has received tax-exempt status by the Internal Revenue Service under Code Section 501(c)(3) and has been recognized as non-profit by the State of Ohio. Therefore, no tax provisions have been made in the accompanying financial statements.

Estimates

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

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

B. Donated Services, Equipment and Facilities

The Muskingum County Board of MR/DD made in-kind contributions to the Muskingum Starlight Industries, Inc. Workshop. The in-kind contributions as of December 31, 2005 and 2004 were \$175,475 and \$120,512, respectively.

C. Deposits and Investments

Deposits

At December 31, 2005, the ledger amount of all deposits accounts was \$447,571, and the bank balance was \$449,172. As of December 31, 2005, of the bank balance of \$449,172, \$29,789 was exposed to custodial risk as discussed below, while \$419,383 was covered by Federal Deposit Insurance Corporation.

Custodial credit risk is the risk that, in the event of a bank failure, the deposits of Muskingum Starlight Industries, Inc. may not be returned.

Investments

In 2005, the board of directors made the decision to open an investment account on behalf of Muskingum Starlight Industries, Inc. The investment portfolio consists of all Vanguard Group funds and include a money market fund, bond funds, and equity funds. GASB 40 was implemented in 2005. The composition of investments at December 31, 2005 is as follows:

Money Market	Cost	Market
Vanguard Prime Money Market Fund 30	<u>\$27,363</u>	<u>\$27,363</u>
	Average	Average
Mutual Funds/Type	Quality Rating	Maturity
Vanguard/Bond	AAA	10 years
Vanguard/Bond	AAA	2.6 years
Vanguard/Bond	AAA	2.3 years
Vanguard/Bond	AA1/AA2	7.2 years
Vanguard/Stock	unrated	
Vanguard/Stock	unrated	
Vanguard/Stock	unrated	
Vanguard/Stock	unrated	
Total Mutual Funds	<u>75,681</u>	<u>78,491</u>
Total Investments	<u><u>\$103,044</u></u>	<u><u>\$105,854</u></u>

Investment Risk Factors

There are many factors that can affect the value of investments. Equity securities will respond to factors such as economic conditions, individual company earning performance and market liquidity, while bond funds are sensitive to credit risks and changes in interest rates.

Credit Risk

Fixed income securities are subject to credit risk, which is the chance that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to pay will cause prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality for the above bonds is evaluated by Moody's Investors Service and Standard & Poor's. The lower the rating, the greater the chance in the rating agency's opinion that the bond issuer will default, or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including U.S. government obligations are not considered to have credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the investments may not be returned.

Some of the investments for Muskingum Starlight Industries, Inc. are exposed to custodial credit risk. These investments may be uninsured and are held by the custodian.

Concentration of Credit Risk

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

Muskingum Starlight Industries, Inc. investments policy is diversified as follows:

Short term investments	25.90%
Bonds	33.10%
Stocks	<u>41.00%</u>
	100.00%

Interest Rate Risk

Interest Rate Risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The average maturities for Muskingum Starlight Industries, Inc. are included in the above table.

D. Deferred Income

The Muskingum Starlight Industries, Inc. workshop serves as an agent for funds received from the State of Ohio to serve the Family Resource Program. However, another party serves as the administrator of this program. All monies are received by the administrator of this program and released by request to the workshop for disbursement to qualified families. Any unexpended monies remaining at year-end are recorded as deferred income and are considered to be unrestricted net assets.

E. Financial Accounts with Off-Balance Sheet Risk

The company has maintained an account in excess of the federally insured maximum of \$100,000 by the Federal Deposit Insurance Corporation (FDIC).

Muskingum County, Ohio

**Notes to the Basic Financial Statements
December 31, 2005**

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**Combining Statements
and
Individual Fund Schedules**

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds

The special revenue funds account for those financial resources that are restricted by legal, regulatory, or administrative action to finance particular functions or activities of the County. The following are reported as nonmajor special revenue funds:

Dog and Kennel Fund - To account for the dog warden's operations, financed by sales of dog tags, kennel permits and fine collections.

Child Support Enforcement Agency Fund - To account for state, federal and local revenue used to administer the County Child Support program.

Childrens' Services Trust Fund - To account for bequests left for the purpose of maintaining the County Children's Home.

SBC Foundation Grant Fund - To account for a foundation grant used to support the Family and Workforce Center (One Stop) Program which will interconnect the family, health, education, employment, and training programs of the County government to increase operational efficiency and improve overall customer services.

Children Services Levy Fund - To account for revenues derived from property taxes and state and federal funds. State law restricts the expenditure of these revenues to programs designed to aid homeless children or children from troubled families.

Real Estate Assessment Fund - To account for state mandated county-wide real estate reappraisals that are funded by charges to the political subdivisions located within the County.

Redevelopment Tax Equivalent Fund - To account for money received pursuant to a tax increment financing agreement between the County and a local vendor to be used for expenses incurred during the construction of an adjoining road.

Drug Abuse Resistance Education (DARE) Fund - To account for the education of school children regarding drug abuse conducted by the Sheriff's Department.

Miscellaneous Federal Grants Fund - To account for various monies received through state agencies from the federal government or directly from the federal government which are not classified elsewhere. The individual funds are maintained separately on the County's books.

Access Visitation Grant Fund - To account for revenues derived from a contract between the Job and Family Services Department and the Muskingum County Domestic Court. Expenditures are for contractual services in which a person has to supervise parent visitations with their children.

Delinquent Real Estate Tax and Assessment Collection Fund - To account for the monies received from delinquent real estate tax and assessment collections. Half of the money is to be allocated to the Prosecutor and the other half to the Treasurer for use in the collection of delinquent property taxes and assessments.

Homeland Security Fund - To account for federal grants used to strengthen county-level capability to respond effectively to weapons of mass destruction and all hazard incidences in Muskingum County.

Tuberculosis Clinic Fund - To account for a County-wide property tax levy used to diagnose and treat people with tuberculosis and respiratory diseases in the County.

(continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Youth Services Fund - To account for grant monies received from the State Department of Youth Services used for the placement of children, a diversion program, juvenile delinquency prevention and other related activities.

Block Grants Fund - To account for revenue from the federal government used for a revolving loan program and for improvements to targeted areas within the County.

Computer Legal Research Fund - To account for Clerk of Courts computer fees used for computerization of the Law Library.

Community Correction Fund - To account for grant monies from the State of Ohio used to assist the County in correctional rehabilitation of persons on probation.

Home Detention (Electronic Monitor) Fund - To account for fees from the County Courts used for in-home housing of prisoners.

Litter Prevention Fund - To account for a state grant to enforce litter laws and educate citizens.

Ohio Childrens Trust Fund - To account for state grants to promote the prevention of child abuse and neglect in the County for children ages 0-5 and their families.

Marriage License Fund - To account for marriage license fees. Fees are paid to Transitions Inc. and used for the treatment of battered women.

Political Subdivision Housing Fund - To account for fines and forfeitures used for the Adult Probation Program as specified by entry from the Courts. Created pursuant to Ohio Revised Code Section 4511.99.

Indigent Drivers Alcohol Treatment Fund - To account for fines from the State and County Court. Created pursuant to Ohio Revised Code Section 4511.191.

Probate Conduct of Business Fund - To account for monies from a portion of marriage license fees to be used at the discretion of the Probate Judge pursuant to Ohio Revised Code Section 2101.19.

Enforcement and Education Fund - To account for monies received from convictions on alcohol related cases used for education of the community at large and for the purchase of law enforcement equipment.

Law Enforcement Fund - To account for fines from the County courts used by the Sheriff and Prosecuting Attorney for investigations, prosecutions and training for law enforcement personnel.

Legal Aid Society Fund - To account for a 1% administrative fee from probate court to be used as allowed by law for salaries and fringe benefits.

Senior Citizens Levy Fund - To account for revenue derived from property taxes used to assist in the providing of programs and services to the senior citizens of the County.

Felony Delinquent Care and Custody Fund - To account for grant monies which are used for the Intensive Probation Program.

Drug Law Enforcement Fund - To account for income from fines on drug-related cases used for drug-related investigations.

(continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Indigent Guardianship Fund - To account for probate court fees used for court appointed guardians for indigents.

Victim of Criminals Fund - To account for donations for state grant monies to be used to assist the victims of crime.

Family Resources Fund - To account for State grant monies to be used for respicare, family training, home modification, adaptive equipment, and special diets.

Sheriff Commissary Fund - To account for sales within the commissary to County jail inmates.

Children Services Christmas Fund - To account for donations from citizens used to purchase gifts for children under care.

Mental Health Levy Fund - To account for a County-wide property tax levy used for the County's share in the Muskingum Area Alcohol, Drug Addiction and Mental Health Board.

Certificate of Title Administration Fund - To account for the title fees used for the operation of the title office of the Clerk of Courts.

Sheriff Levy Fund - To account for a County-wide property tax levy to be used to provide additional law enforcement in the County.

County Court Special Projects Fund - To account for money received by the County Court from fees and charges over and above normal court costs to be utilized for special projects of the court.

Transportation Improvement District (TID) Escrow Fund - To account for non-tax revenues set aside for the purpose of a loan guaranty.

Juvenile Detention Fund - To account for state and federal grants used in the operation and maintenance of the Detention Facility.

Concealed Weapon Fund - To account for fees collected from the issuance or renewal of license to carry a concealed handgun. These monies are used for costs incurred by the sheriff in connection with issuing these licenses or costs associated with handgun safety education programs.

Nonmajor Debt Service Funds

The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs. The following are reported as nonmajor debt service funds:

Debt Service Fund - To account for rent monies from the agencies of Health, Human Services and Children Services used for the retirement of County general obligation bonds.

Special Assessment Debt Service Fund - To account for special assessment revenue used for the repayment of OWDA and bonded special assessment debt.

Note Retirement Fund - To account for the repayment of note debt and related revenue activity. For GAAP reporting, this activity is reflected in the fund that received the note proceeds.

(continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Sewer Debt Service Fund - To account for the repayment of debt and related revenue activity. For GAAP reporting, this activity is reflected in the Sewer enterprise fund.

Water Debt Service Fund - To account for the repayment of debt and related revenue activity. For GAAP reporting, this activity is reflected in the Water enterprise fund.

Nonmajor Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition of major capital facilities (other than those financed by proprietary funds). The following are reported as nonmajor capital projects funds:

STAR Region 8 Fund - To account for federal homeland security revenue to be used for equipment for a ten-county Southeast Ohio Search and Rescue Team.

Issue II Fund - To account for Issue 2 monies used for bridge painting, county road paving and repair.

Highway Fund - To account for federal money received for the repair and construction of roads and bridges within the County.

Job and Family Services Renovation Fund - To account for note proceeds to be used in the renovations of the Job and Family Services building.

Starlight Permanent Improvements Fund - To account for revenues from an operating levy used for permanent improvements at the Starlight School.

Recorder Equipment Fund - To account for a portion of the recorder's fees to be used for the purchase of equipment.

Court Computer Fund - To account for a portion of court fees to be used for the purchase of computer equipment.

Brandywine Loop Construction Fund - To account for monies from the sale of notes to be used for the construction of a bypass route. For budgetary purposes, the payment of the note is reflected in the Note Retirement debt service fund.

Economic Development Fund - To account for revenues derived from General Fund transfers to be used for various capital projects in the County.

Records Building Fund - To account for bond proceeds used to perform renovations at the County records building.

State Route 60 Project Fund - To account for transfers from the Economic Development capital project fund to be used for improvements to State Route 60. Budgetary activity is not presented for this fund because the transfers relate only to accruals in accordance with generally accepted accounting principles.

Law Enforcement Block Grant Fund - To account for Federal Grants to be used for the purchase of various equipment to enhance law enforcement in the County.

(continued)

NONMAJOR GOVERNMENTAL FUNDS (Continued)

Energy Conservation Fund - To account for loan proceeds used to renovate the Starlight school and workshop. This fund will also reflect the tax revenue to be used for the debt payments associated with this loan.

Emergency Operations Center Fund - To account for donations used in the construction of a new disaster center.

Mitchell Lane Fund - To account for the contractual activity associated with the extension of an existing road. The upkeep and maintenance will then be turned over to the township.

Salt Creek Drive Fund - To account for federal and local match monies used in the resurfacing of Salt Creek Drive.

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,850,784	\$404,161	\$2,342,749	\$13,597,694
Cash and Cash Equivalents in Segregated Accounts	0	0	30,171	30,171
Restricted Cash and Cash Equivalents	925,000	0	0	925,000
Receivables:				
Property and Other Taxes	2,829,236	0	0	2,829,236
Payments in Lieu of Taxes	225,177	0	92,848	318,025
Accounts	34,250	0	0	34,250
Intergovernmental	1,725,477	0	102,225	1,827,702
Interfund	1,723	0	0	1,723
Special Assessments	0	1,538,496	0	1,538,496
Loans	0	380,879	0	380,879
Materials and Supplies Inventory	53,258	0	0	53,258
Prepaid Items	4,211	0	0	4,211
<i>Total Assets</i>	<u>\$16,649,116</u>	<u>\$2,323,536</u>	<u>\$2,567,993</u>	<u>\$21,540,645</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$130,043	\$0	\$1,242	\$131,285
Contracts Payable	0	0	142,623	142,623
Accrued Interest Payable	0	0	7,893	7,893
Accrued Wages and Benefits	140,590	0	138	140,728
Retainage Payable	0	0	30,171	30,171
Interfund Payable	173,377	6,266	10,590	190,233
Intergovernmental Payable	539,743	0	177	539,920
Notes Payable	0	0	1,422,763	1,422,763
Deferred Revenue	4,331,713	1,538,496	78,225	5,948,434
<i>Total Liabilities</i>	<u>5,315,466</u>	<u>1,544,762</u>	<u>1,693,822</u>	<u>8,554,050</u>
Fund Balances				
Reserved for Encumbrances	601,317	0	86,401	687,718
Reserved for Loans	0	360,879	0	360,879
Reserved for Loan Guarantee	925,000	0	0	925,000
Reserved for Long -Term Contracts Payable	403,838	0	0	403,838
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	9,403,495	0	0	9,403,495
Debt Service Funds	0	417,895	0	417,895
Capital Projects Funds	0	0	787,770	787,770
<i>Total Fund Balances</i>	<u>11,333,650</u>	<u>778,774</u>	<u>874,171</u>	<u>12,986,595</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$16,649,116</u>	<u>\$2,323,536</u>	<u>\$2,567,993</u>	<u>\$21,540,645</u>

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

	Dog and Kennel	Child Support Enforcement Agency	Childrens' Services Trust	Children Services Levy
Assets				
Equity in Pooled Cash and Cash Equivalents	\$78,678	\$487,382	\$153,361	\$4,777,002
Restricted Cash and Cash Equivalents	0	0	0	0
Receivables:				
Property and Other Taxes	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Accounts	0	1,307	0	30
Intergovernmental	0	24,141	0	251,575
Interfund	0	0	0	0
Materials and Supplies Inventory	0	3,638	0	13,059
Prepaid Items	0	1,339	0	26
<i>Total Assets</i>	<u>\$78,678</u>	<u>\$517,807</u>	<u>\$153,361</u>	<u>\$5,041,692</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,652	\$2,838	\$0	\$34,085
Accrued Wages and Benefits	1,817	45,072	0	53,927
Interfund Payable	0	62,171	0	163
Intergovernmental Payable	1,960	401,909	0	84,645
Deferred Revenue	0	0	0	181,394
<i>Total Liabilities</i>	<u>5,429</u>	<u>511,990</u>	<u>0</u>	<u>354,214</u>
Fund Balances				
Reserved for Encumbrances	153	74,190	0	271,813
Reserved for Loan Guarantee	0	0	0	0
Reserved for Long -Term Contracts Payable	0	0	0	0
Unreserved:				
Undesignated (Deficit)	73,096	(68,373)	153,361	4,415,665
<i>Total Fund Balances (Deficit)</i>	<u>73,249</u>	<u>5,817</u>	<u>153,361</u>	<u>4,687,478</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$78,678</u>	<u>\$517,807</u>	<u>\$153,361</u>	<u>\$5,041,692</u>

(continued)

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2005

	Real Estate Assessment	Redevelopment Tax Equivalent	Drug Abuse Resistance Education (DARE)	Miscellaneous Federal Grants	Access Visitation Grant
Assets					
Equity in Pooled Cash and Cash Equivalents	\$1,051,098	\$203,390	\$20,401	\$160,610	\$10
Restricted Cash and Cash Equivalents	0	0	0	0	0
Receivables:					
Property and Other Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	200,448	0	0	0
Accounts	0	0	0	0	0
Intergovernmental	0	0	0	131,457	0
Interfund	0	0	0	0	1,723
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	2,707	0	0	0	0
<i>Total Assets</i>	<u>\$1,053,805</u>	<u>\$403,838</u>	<u>\$20,401</u>	<u>\$292,067</u>	<u>\$1,733</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$70,382	\$0	\$0	\$0	\$0
Accrued Wages and Benefits	4,114	0	0	2,842	0
Interfund Payable	0	0	0	0	0
Intergovernmental Payable	4,689	0	294	3,827	0
Deferred Revenue	0	0	0	131,457	0
<i>Total Liabilities</i>	<u>79,185</u>	<u>0</u>	<u>294</u>	<u>138,126</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	164,805	0	0	0	1,800
Reserved for Loan Guarantee	0	0	0	0	0
Reserved for Long-Term Contracts Payable	0	403,838	0	0	0
Unreserved:					
Undesignated (Deficit)	809,815	0	20,107	153,941	(67)
<i>Total Fund Balances (Deficit)</i>	<u>974,620</u>	<u>403,838</u>	<u>20,107</u>	<u>153,941</u>	<u>1,733</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,053,805</u>	<u>\$403,838</u>	<u>\$20,401</u>	<u>\$292,067</u>	<u>\$1,733</u>

<u>Delinquent Real Estate Tax and Assessment Collection</u>	<u>Homeland Security</u>	<u>Tuberculosis Clinic</u>	<u>Youth Services</u>	<u>Block Grants</u>	<u>Computer Legal Research</u>	<u>Community Correction</u>
\$393,283	\$106,801	\$500,441	\$23,797	\$36,950	\$62,665	\$16,399
0	0	0	0	0	0	0
0	0	567,160	0	0	0	0
0	0	4,319	0	0	0	0
0	0	0	0	0	20,802	0
0	0	23,589	32,791	993,164	0	107,554
0	0	0	0	0	0	0
0	0	4,028	0	125	0	0
0	0	0	0	139	0	0
<u>\$393,283</u>	<u>\$106,801</u>	<u>\$1,099,537</u>	<u>\$56,588</u>	<u>\$1,030,378</u>	<u>\$83,467</u>	<u>\$123,953</u>
\$0	\$0	\$947	\$6,670	\$0	\$0	\$0
2,487	114	4,149	782	723	0	2,758
0	24,409	85	6,000	69,229	0	0
3,903	96	5,044	1,682	708	0	3,444
0	0	590,749	31,951	903,162	20,802	53,777
<u>6,390</u>	<u>24,619</u>	<u>600,974</u>	<u>47,085</u>	<u>973,822</u>	<u>20,802</u>	<u>59,979</u>
5,990	196	39,889	7,288	443	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>380,903</u>	<u>81,986</u>	<u>458,674</u>	<u>2,215</u>	<u>56,113</u>	<u>62,665</u>	<u>63,974</u>
<u>386,893</u>	<u>82,182</u>	<u>498,563</u>	<u>9,503</u>	<u>56,556</u>	<u>62,665</u>	<u>63,974</u>
<u>\$393,283</u>	<u>\$106,801</u>	<u>\$1,099,537</u>	<u>\$56,588</u>	<u>\$1,030,378</u>	<u>\$83,467</u>	<u>\$123,953</u>

(continued)

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2005

	Home Detention (Electronic Monitor)	Litter Prevention	Ohio Childrens Trust	Marriage License	Political Subdivision Housing
Assets					
Equity in Pooled Cash and					
Cash Equivalents	\$180,703	\$10,984	\$0	\$2,233	\$83,964
Restricted Cash and					
Cash Equivalents	0	0	0	0	0
Receivables:					
Property and Other Taxes	0	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0	0
Accounts	12,111	0	0	0	0
Intergovernmental	14,894	10,691	13,832	0	0
Interfund	0	0	0	0	0
Materials and Supplies Inventory	0	0	0	0	0
Prepaid Items	0	0	0	0	0
<i>Total Assets</i>	<u>\$207,708</u>	<u>\$21,675</u>	<u>\$13,832</u>	<u>\$2,233</u>	<u>\$83,964</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$0	\$0	\$0	\$2,233	\$0
Accrued Wages and Benefits	1,055	0	0	0	0
Interfund Payable	0	11,320	0	0	0
Intergovernmental Payable	1,310	464	0	0	0
Deferred Revenue	19,558	10,691	13,832	0	0
<i>Total Liabilities</i>	<u>21,923</u>	<u>22,475</u>	<u>13,832</u>	<u>2,233</u>	<u>0</u>
Fund Balances					
Reserved for Encumbrances	4,415	0	0	0	0
Reserved for Loan Guarantee	0	0	0	0	0
Reserved for Long-Term					
Contracts Payable	0	0	0	0	0
Unreserved:					
Undesignated (Deficit)	181,370	(800)	0	0	83,964
<i>Total Fund Balances (Deficit)</i>	<u>185,785</u>	<u>(800)</u>	<u>0</u>	<u>0</u>	<u>83,964</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$207,708</u>	<u>\$21,675</u>	<u>\$13,832</u>	<u>\$2,233</u>	<u>\$83,964</u>

<u>Indigent Drivers Alcohol Treatment</u>	<u>Probate Conduct of Business</u>	<u>Enforcement and Education</u>	<u>Law Enforcement</u>	<u>Legal Aid Society</u>	<u>Senior Citizens Levy</u>
\$137,990	\$7,269	\$33,564	\$122,307	\$30	\$293,184
0	0	0	0	0	0
0	0	0	0	0	677,116
0	0	0	0	0	5,316
0	0	0	0	0	0
89	0	0	0	0	27,984
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$138,079</u>	<u>\$7,269</u>	<u>\$33,564</u>	<u>\$122,307</u>	<u>\$30</u>	<u>\$1,003,600</u>
\$0	\$0	\$0	\$1,000	\$0	\$0
0	0	0	0	0	8,713
0	0	0	0	0	0
0	0	0	0	0	10,979
89	0	0	0	0	705,100
<u>89</u>	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>724,792</u>
16,232	412	0	1,022	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>121,758</u>	<u>6,857</u>	<u>33,564</u>	<u>120,285</u>	<u>30</u>	<u>278,808</u>
<u>137,990</u>	<u>7,269</u>	<u>33,564</u>	<u>121,307</u>	<u>30</u>	<u>278,808</u>
<u>\$138,079</u>	<u>\$7,269</u>	<u>\$33,564</u>	<u>\$122,307</u>	<u>\$30</u>	<u>\$1,003,600</u>

(continued)

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2005

	Felony Delinquent Care and Custody	Drug Law Enforcement	Indigent Guardianship	Victim of Criminals
Assets				
Equity in Pooled Cash and Cash Equivalents	\$126,016	\$52,909	\$1,040	\$521
Restricted Cash and Cash Equivalents	0	0	0	0
Receivables:				
Property and Other Taxes	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Accounts	0	0	0	0
Intergovernmental	0	0	0	32,385
Interfund	0	0	0	0
Materials and Supplies Inventory	0	0	0	0
Prepaid Items	0	0	0	0
<i>Total Assets</i>	<u>\$126,016</u>	<u>\$52,909</u>	<u>\$1,040</u>	<u>\$32,906</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$0	\$1,302	\$0	\$0
Accrued Wages and Benefits	1,765	0	0	750
Interfund Payable	0	0	0	0
Intergovernmental Payable	1,634	0	0	582
Deferred Revenue	0	0	0	22,860
<i>Total Liabilities</i>	<u>3,399</u>	<u>1,302</u>	<u>0</u>	<u>24,192</u>
Fund Balances				
Reserved for Encumbrances	26	0	0	0
Reserved for Loan Guarantee	0	0	0	0
Reserved for Long-Term Contracts Payable	0	0	0	0
Unreserved:				
Undesignated (Deficit)	122,591	51,607	1,040	8,714
<i>Total Fund Balances (Deficit)</i>	<u>122,617</u>	<u>51,607</u>	<u>1,040</u>	<u>8,714</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$126,016</u>	<u>\$52,909</u>	<u>\$1,040</u>	<u>\$32,906</u>

<u>Sheriff Commissary</u>	<u>Children Services Christmas</u>	<u>Mental Health Levy</u>	<u>Certificate of Title Administration</u>	<u>Sheriff Levy</u>	<u>County Court Special Projects</u>
\$11,514	\$63,057	\$39,250	\$871,467	\$390,893	\$260,550
0	0	0	0	0	0
0	0	1,127,612	0	457,348	0
0	0	10,173	0	4,921	0
0	0	0	0	0	0
0	0	44,618	0	16,713	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>\$11,514</u>	<u>\$63,057</u>	<u>\$1,221,653</u>	<u>\$871,467</u>	<u>\$869,875</u>	<u>\$260,550</u>
\$3,456	\$2,978	\$0	\$0	\$0	\$0
0	0	0	2,363	7,159	0
0	0	0	0	0	0
0	0	0	2,947	9,271	127
0	0	1,172,230	0	474,061	0
<u>3,456</u>	<u>2,978</u>	<u>1,172,230</u>	<u>5,310</u>	<u>490,491</u>	<u>127</u>
2,418	1,292	0	6,433	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>5,640</u>	<u>58,787</u>	<u>49,423</u>	<u>859,724</u>	<u>379,384</u>	<u>260,423</u>
<u>8,058</u>	<u>60,079</u>	<u>49,423</u>	<u>866,157</u>	<u>379,384</u>	<u>260,423</u>
<u>\$11,514</u>	<u>\$63,057</u>	<u>\$1,221,653</u>	<u>\$871,467</u>	<u>\$869,875</u>	<u>\$260,550</u>

(continued)

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds (Continued)
December 31, 2005

	Transportation Improvement District (TID) Escrow	Juvenile Detention	Concealed Weapon	Total Nonmajor Special Revenue Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$78,376	\$10,695	\$10,850,784
Restricted Cash and Cash Equivalents	925,000	0	0	925,000
Receivables:				
Property and Other Taxes	0	0	0	2,829,236
Payments in Lieu of Taxes	0	0	0	225,177
Accounts	0	0	0	34,250
Intergovernmental	0	0	0	1,725,477
Interfund	0	0	0	1,723
Materials and Supplies Inventory	0	32,408	0	53,258
Prepaid Items	0	0	0	4,211
<i>Total Assets</i>	<u>\$925,000</u>	<u>\$110,784</u>	<u>\$10,695</u>	<u>\$16,649,116</u>
Liabilities				
Accounts Payable	\$0	\$2,500	\$0	\$130,043
Accrued Wages and Benefits	0	0	0	140,590
Interfund Payable	0	0	0	173,377
Intergovernmental Payable	0	228	0	539,743
Deferred Revenue	0	0	0	4,331,713
<i>Total Liabilities</i>	<u>0</u>	<u>2,728</u>	<u>0</u>	<u>5,315,466</u>
Fund Balance				
Reserved for Encumbrances	0	2,500	0	601,317
Reserved for Loan Guarantee	925,000	0	0	925,000
Reserved for Long-Term Contracts Payable	0	0	0	403,838
Unreserved: Undesignated (Deficit)	0	105,556	10,695	9,403,495
<i>Total Fund Balances (Deficit)</i>	<u>925,000</u>	<u>108,056</u>	<u>10,695</u>	<u>11,333,650</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$925,000</u>	<u>\$110,784</u>	<u>\$10,695</u>	<u>\$16,649,116</u>

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2005

	Debt Service	Special Assessment Debt Service	Total Nonmajor Debt Service Funds
Assets			
Equity in Pooled Cash and Cash Equivalents	\$80,324	\$323,837	\$404,161
Receivables:			
Special Assessments	0	1,538,496	1,538,496
Loans	380,879	0	380,879
<i>Total Assets</i>	<u>\$461,203</u>	<u>\$1,862,333</u>	<u>\$2,323,536</u>
Liabilities and Fund Balances			
Liabilities			
Interfund Payable	\$0	\$6,266	\$6,266
Deferred Revenue	0	1,538,496	1,538,496
<i>Total Liabilities</i>	0	1,544,762	1,544,762
Fund Balances			
Reserved for Loans	360,879	0	360,879
Unreserved:			
Undesignated	100,324	317,571	417,895
<i>Total Fund Balances</i>	461,203	317,571	778,774
<i>Total Liabilities and Fund Balances</i>	<u>\$461,203</u>	<u>\$1,862,333</u>	<u>\$2,323,536</u>

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

	STAR Region 8	Issue II	Highway
Assets			
Equity in Pooled Cash and Cash Equivalents	\$0	\$13,347	\$0
Cash and Cash Equivalents in Segregated Accounts	0	0	0
Receivables:			
Payments in Lieu of Taxes	0	0	0
Intergovernmental	<u>75,292</u>	<u>0</u>	<u>26,933</u>
<i>Total Assets</i>	<u><u>\$75,292</u></u>	<u><u>\$13,347</u></u>	<u><u>\$26,933</u></u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$0
Contracts Payable	0	0	0
Accrued Interest Payable	0	0	0
Accrued Wages and Benefits	0	0	0
Retainage Payable	0	0	0
Interfund Payable	0	0	0
Intergovernmental Payable	0	0	0
Notes Payable	0	329,202	0
Deferred Revenue	<u>75,292</u>	<u>0</u>	<u>2,933</u>
<i>Total Liabilities</i>	<u>75,292</u>	<u>329,202</u>	<u>2,933</u>
Fund Balances			
Reserved for Encumbrances	0	0	0
Unreserved:			
Undesignated (Deficit)	<u>0</u>	<u>(315,855)</u>	<u>24,000</u>
<i>Total Fund Balances (Deficit)</i>	<u>0</u>	<u>(315,855)</u>	<u>24,000</u>
<i>Total Liabilities and Fund Balances</i>	<u><u>\$75,292</u></u>	<u><u>\$13,347</u></u>	<u><u>\$26,933</u></u>

<u>Job and Family Services Renovation</u>	<u>Starlight Permanent Improvements</u>	<u>Recorder Equipment</u>	<u>Court Computer</u>	<u>Brandywine Loop Construction</u>
\$306,298	\$1,026,382	\$379,670	\$345,710	\$6
30,171	0	0	0	0
0	0	0	0	92,848
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$336,469</u>	<u>\$1,026,382</u>	<u>\$379,670</u>	<u>\$345,710</u>	<u>\$92,854</u>
\$0	\$0	\$0	\$1,242	\$0
142,623	0	0	0	0
3,633	0	0	0	0
0	0	0	138	0
30,171	0	0	0	0
0	0	0	0	10,590
0	0	0	177	0
850,000	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>1,026,427</u>	<u>0</u>	<u>0</u>	<u>1,557</u>	<u>10,590</u>
75,875	3,456	0	7,070	0
<u>(765,833)</u>	<u>1,022,926</u>	<u>379,670</u>	<u>337,083</u>	<u>82,264</u>
<u>(689,958)</u>	<u>1,026,382</u>	<u>379,670</u>	<u>344,153</u>	<u>82,264</u>
<u>\$336,469</u>	<u>\$1,026,382</u>	<u>\$379,670</u>	<u>\$345,710</u>	<u>\$92,854</u>

(continued)

Muskingum County, Ohio
Combining Balance Sheet
Nonmajor Capital Projects Funds (Continued)
December 31, 2005

	Energy Conservation	Total Nonmajor Capital Projects Funds
Assets		
Equity in Pooled Cash and Cash Equivalents	\$271,336	\$2,342,749
Cash and Cash Equivalents in Segregated Accounts	0	30,171
Receivables:		
Payments in Lieu of Taxes	0	92,848
Intergovernmental	0	102,225
<i>Total Assets</i>	<i>\$271,336</i>	<i>\$2,567,993</i>
Liabilities and Fund Balances		
Liabilities		
Accounts Payable	\$0	\$1,242
Contracts Payable	0	142,623
Accrued Interest Payable	4,260	7,893
Accrued Wages and Benefits	0	138
Retainage Payable	0	30,171
Interfund Payable	0	10,590
Intergovernmental Payable	0	177
Notes Payable	243,561	1,422,763
Deferred Revenue	0	78,225
<i>Total Liabilities</i>	<i>247,821</i>	<i>1,693,822</i>
Fund Balances		
Reserved for Encumbrances	0	86,401
Unreserved:		
Undesignated (Deficit)	23,515	787,770
<i>Total Fund Balances (Deficit)</i>	<i>23,515</i>	<i>874,171</i>
<i>Total Liabilities and Fund Balances</i>	<i>\$271,336</i>	<i>\$2,567,993</i>

Muskingum 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 Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Property and Other Taxes	\$4,003,390	\$0	\$0	\$4,003,390
Special Assessments	0	84,283	0	84,283
Charges for Services	3,168,621	0	74,866	3,243,487
Licenses and Permits	449,330	0	0	449,330
Fines and Forfeitures	80,855	0	84,384	165,239
Intergovernmental	10,256,276	21,380	2,283,790	12,561,446
Interest	4,557	71,990	1,267	77,814
Payments in Lieu of Taxes	238,687	0	92,848	331,535
Rent	0	414,610	0	414,610
Contributions and Donations	15,856	0	0	15,856
Other	86,215	0	8,847	95,062
<i>Total Revenues</i>	<u>18,303,787</u>	<u>592,263</u>	<u>2,546,002</u>	<u>21,442,052</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	900,148	0	0	900,148
Judicial	133,406	0	146,809	280,215
Public Safety	2,543,054	0	70,227	2,613,281
Public Works	1,953,653	0	2,353,242	4,306,895
Health	753,572	0	0	753,572
Human Services	11,683,639	0	202,736	11,886,375
Capital Outlay	0	0	794,052	794,052
Intergovernmental	1,227,142	0	0	1,227,142
Debt Service:				
Principal Retirement	1,540	929,181	0	930,721
Interest and Fiscal Charges	381	770,392	50,003	820,776
<i>Total Expenditures</i>	<u>19,196,535</u>	<u>1,699,573</u>	<u>3,617,069</u>	<u>24,513,177</u>
<i>Excess of Revenues</i>				
<i>Under Expenditures</i>	<u>(892,748)</u>	<u>(1,107,310)</u>	<u>(1,071,067)</u>	<u>(3,071,125)</u>
Other Financing Source (Use)				
Transfers In	1,296,605	952,027	824,509	3,073,141
Transfers Out	(471,127)	(16,804)	(1,033,282)	(1,521,213)
<i>Total Other Financing Source (Use)</i>	<u>825,478</u>	<u>935,223</u>	<u>(208,773)</u>	<u>1,551,928</u>
<i>Net Change in Fund Balances</i>	(67,270)	(172,087)	(1,279,840)	(1,519,197)
Fund Balances at Beginning of Year	<u>11,400,920</u>	<u>950,861</u>	<u>2,154,011</u>	<u>14,505,792</u>
<i>Fund Balances at End of Year</i>	<u>\$11,333,650</u>	<u>\$778,774</u>	<u>\$874,171</u>	<u>\$12,986,595</u>

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

	Dog and Kennel	Child Support Enforcement Agency	Childrens' Services Trust	SBC Foundation Grant	Children Services Levy
Revenues					
Property and Other Taxes	\$0	\$0	\$0	\$0	\$1,671,311
Charges for Services	29,397	333,081	0	0	1,639,996
Licenses and Permits	96,159	0	0	0	0
Fines and Forfeitures	5,782	0	0	0	0
Intergovernmental	0	3,457,489	0	0	3,314,753
Interest	0	0	4,446	0	0
Payments in Lieu of Taxes	0	0	0	0	6,117
Contributions and Donations	0	0	70	0	625
Other	10	48,978	0	0	5,977
<i>Total Revenues</i>	<u>131,348</u>	<u>3,839,548</u>	<u>4,516</u>	<u>0</u>	<u>6,638,779</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	0	0	0	330	0
Judicial	0	0	0	0	0
Public Safety	0	0	0	0	0
Public Works	0	0	0	0	0
Health	127,394	0	0	0	0
Human Services	0	4,080,791	0	0	6,863,144
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	1,540	0	0	0
Interest and Fiscal Charges	0	381	0	0	0
<i>Total Expenditures</i>	<u>127,394</u>	<u>4,082,712</u>	<u>0</u>	<u>330</u>	<u>6,863,144</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>3,954</u>	<u>(243,164)</u>	<u>4,516</u>	<u>(330)</u>	<u>(224,365)</u>
Other Financing Source (Use)					
Transfers In	50,000	716,548	0	0	34,427
Transfers Out	0	0	0	0	0
<i>Total Other Financing Source (Use)</i>	<u>50,000</u>	<u>716,548</u>	<u>0</u>	<u>0</u>	<u>34,427</u>
<i>Net Change in Fund Balances</i>	53,954	473,384	4,516	(330)	(189,938)
Fund Balances (Deficits) at Beginning of Year	<u>19,295</u>	<u>(467,567)</u>	<u>148,845</u>	<u>330</u>	<u>4,877,416</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>\$73,249</u></u>	<u><u>\$5,817</u></u>	<u><u>\$153,361</u></u>	<u><u>\$0</u></u>	<u><u>\$4,687,478</u></u>

<u>Real Estate Assessment</u>	<u>Redevelopment Tax Equivalent</u>	<u>Drug Abuse Resistance Education (DARE)</u>	<u>Miscellaneous Federal Grants</u>	<u>Access Visitation Grant</u>	<u>Delinquent Real Estate Tax and Assessment Collection</u>	<u>Homeland Security</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
615,963	0	0	0	0	171,872	0
0	0	0	0	0	0	0
1,800	0	0	0	0	0	0
0	0	14,259	1,061,768	27,868	0	1,096,373
0	0	0	0	0	0	0
0	200,448	0	0	0	0	0
0	0	3,529	0	0	0	0
3,591	0	0	0	0	6	0
<u>621,354</u>	<u>200,448</u>	<u>17,788</u>	<u>1,061,768</u>	<u>27,868</u>	<u>171,878</u>	<u>1,096,373</u>
549,465	0	0	0	0	173,798	0
0	0	0	0	26,135	0	0
0	0	60,551	280,614	0	0	979,042
0	0	0	490,030	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>549,465</u>	<u>0</u>	<u>60,551</u>	<u>770,644</u>	<u>26,135</u>	<u>173,798</u>	<u>979,042</u>
<u>71,889</u>	<u>200,448</u>	<u>(42,763)</u>	<u>291,124</u>	<u>1,733</u>	<u>(1,920)</u>	<u>117,331</u>
0	0	45,000	0	0	0	0
0	(404,584)	0	0	0	0	0
0	(404,584)	45,000	0	0	0	0
71,889	(204,136)	2,237	291,124	1,733	(1,920)	117,331
<u>902,731</u>	<u>607,974</u>	<u>17,870</u>	<u>(137,183)</u>	<u>0</u>	<u>388,813</u>	<u>(35,149)</u>
<u>\$974,620</u>	<u>\$403,838</u>	<u>\$20,107</u>	<u>\$153,941</u>	<u>\$1,733</u>	<u>\$386,893</u>	<u>\$82,182</u>

(continued)

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

	Tuberculosis Clinic	Youth Services	Block Grants	Computer Legal Research
Revenues				
Property and Other Taxes	\$388,070	\$0	\$0	\$0
Charges for Services	12,163	0	0	5,358
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	0	0	0
Intergovernmental	115,309	60,061	135,986	0
Interest	0	0	0	0
Payments in Lieu of Taxes	5,550	0	0	0
Contributions and Donations	0	0	0	0
Other	20,127	0	1,774	0
<i>Total Revenues</i>	<u>541,219</u>	<u>60,061</u>	<u>137,760</u>	<u>5,358</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	0	0	0	7,235
Public Safety	0	64,189	0	0
Public Works	0	0	178,613	0
Health	601,191	0	0	0
Human Services	0	0	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>601,191</u>	<u>64,189</u>	<u>178,613</u>	<u>7,235</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(59,972)</u>	<u>(4,128)</u>	<u>(40,853)</u>	<u>(1,877)</u>
Other Financing Source (Use)				
Transfers In	126	4,876	315	0
Transfers Out	0	0	0	0
<i>Total Other Financing Source (Use)</i>	<u>126</u>	<u>4,876</u>	<u>315</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(59,846)	748	(40,538)	(1,877)
Fund Balances (Deficits) at Beginning of Year	<u>558,409</u>	<u>8,755</u>	<u>97,094</u>	<u>64,542</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>\$498,563</u></u>	<u><u>\$9,503</u></u>	<u><u>\$56,556</u></u>	<u><u>\$62,665</u></u>

<u>Community Correction</u>	<u>Home Detention (Electronic Monitor)</u>	<u>Litter Prevention</u>	<u>Ohio Childrens Trust</u>	<u>Marriage License</u>	<u>Political Subdivision Housing</u>	<u>Indigent Drivers Alcohol Treatment</u>
\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	46,116	0	0	0	0	0
0	0	0	0	24,987	0	0
0	0	0	0	0	32,451	19,914
215,110	29,790	66,600	30,342	0	0	196
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	2,000	0	0	0	0
0	9	0	0	0	0	0
<u>215,110</u>	<u>75,915</u>	<u>68,600</u>	<u>30,342</u>	<u>24,987</u>	<u>32,451</u>	<u>20,110</u>
0	0	0	0	0	0	0
0	0	0	0	0	0	0
202,657	77,977	0	0	0	0	0
0	0	82,097	0	0	0	0
0	0	0	0	24,987	0	0
0	0	0	44,175	0	0	15,894
0	0	0	0	0	0	0
0	0	0	0	0	0	0
<u>202,657</u>	<u>77,977</u>	<u>82,097</u>	<u>44,175</u>	<u>24,987</u>	<u>0</u>	<u>15,894</u>
<u>12,453</u>	<u>(2,062)</u>	<u>(13,497)</u>	<u>(13,833)</u>	<u>0</u>	<u>32,451</u>	<u>4,216</u>
0	0	17,852	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>17,852</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
12,453	(2,062)	4,355	(13,833)	0	32,451	4,216
<u>51,521</u>	<u>187,847</u>	<u>(5,155)</u>	<u>13,833</u>	<u>0</u>	<u>51,513</u>	<u>133,774</u>
<u>\$63,974</u>	<u>\$185,785</u>	<u>(\$800)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$83,964</u>	<u>\$137,990</u>

(continued)

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

	Probate Conduct of Business	Enforcement and Education	Law Enforcement	Legal Aid Society
Revenues				
Property and Other Taxes	\$0	\$0	\$0	\$0
Charges for Services	628	0	0	30
Licenses and Permits	0	0	0	0
Fines and Forfeitures	0	4,630	12,191	0
Intergovernmental	0	0	35,802	0
Interest	0	0	0	0
Payments in Lieu of Taxes	0	0	0	0
Contributions and Donations	0	0	4,825	0
Other	0	0	2,031	0
<i>Total Revenues</i>	<u>628</u>	<u>4,630</u>	<u>54,849</u>	<u>30</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	0
Judicial	2,870	0	0	0
Public Safety	0	10,591	57,000	0
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	0	0	0
Intergovernmental	0	0	0	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>2,870</u>	<u>10,591</u>	<u>57,000</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(2,242)</u>	<u>(5,961)</u>	<u>(2,151)</u>	<u>30</u>
Other Financing Source (Use)				
Transfers In	0	0	1,423	0
Transfers Out	0	0	0	0
<i>Total Other Financing Source (Use)</i>	<u>0</u>	<u>0</u>	<u>1,423</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(2,242)	(5,961)	(728)	30
Fund Balances (Deficits) at Beginning of Year	<u>9,511</u>	<u>39,525</u>	<u>122,035</u>	<u>0</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u><u>\$7,269</u></u>	<u><u>\$33,564</u></u>	<u><u>\$121,307</u></u>	<u><u>\$30</u></u>

Senior Citizens Levy	Felony Delinquent Care and Custody	Drug Law Enforcement	Indigent Guardianship	Victim of Criminals	Family Resources
\$580,535	\$0	\$0	\$0	\$0	\$0
0	0	0	13,286	0	0
0	0	0	0	0	0
0	0	4,087	0	0	0
80,193	141,575	0	0	37,546	13,089
0	0	0	0	0	0
6,880	0	0	0	0	0
0	0	0	0	0	0
180	0	1,033	0	0	0
<u>667,788</u>	<u>141,575</u>	<u>5,120</u>	<u>13,286</u>	<u>37,546</u>	<u>13,089</u>
0	0	0	0	0	0
0	0	0	0	0	0
0	123,776	5,973	0	37,370	0
0	0	0	0	0	0
0	0	0	0	0	0
607,626	0	0	13,234	0	52,356
0	0	0	0	0	0
0	0	0	0	0	0
<u>607,626</u>	<u>123,776</u>	<u>5,973</u>	<u>13,234</u>	<u>37,370</u>	<u>52,356</u>
<u>60,162</u>	<u>17,799</u>	<u>(853)</u>	<u>52</u>	<u>176</u>	<u>(39,267)</u>
7,252	0	0	0	1,860	0
0	0	0	0	0	0
<u>7,252</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,860</u>	<u>0</u>
67,414	17,799	(853)	52	2,036	(39,267)
<u>211,394</u>	<u>104,818</u>	<u>52,460</u>	<u>988</u>	<u>6,678</u>	<u>39,267</u>
<u>\$278,808</u>	<u>\$122,617</u>	<u>\$51,607</u>	<u>\$1,040</u>	<u>\$8,714</u>	<u>\$0</u>

(continued)

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

	Sheriff Commissary	Children Services Christmas	Mental Health Levy	Certificate of Title Administration
Revenues				
Property and Other Taxes	\$0	\$0	\$969,431	\$0
Charges for Services	202,309	0	0	0
Licenses and Permits	0	0	0	321,806
Fines and Forfeitures	0	0	0	0
Intergovernmental	0	0	233,247	0
Interest	0	111	0	0
Payments in Lieu of Taxes	0	0	13,250	0
Contributions and Donations	0	4,807	0	0
Other	0	2,376	0	105
<i>Total Revenues</i>	<u>202,309</u>	<u>7,294</u>	<u>1,215,928</u>	<u>321,911</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	0	0	0	176,555
Judicial	0	0	0	0
Public Safety	203,915	0	0	0
Public Works	0	0	0	0
Health	0	0	0	0
Human Services	0	6,419	0	0
Intergovernmental	0	0	1,227,142	0
Debt Service:				
Principal Retirement	0	0	0	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>203,915</u>	<u>6,419</u>	<u>1,227,142</u>	<u>176,555</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,606)</u>	<u>875</u>	<u>(11,214)</u>	<u>145,356</u>
Other Financing Source (Use)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	(66,543)
<i>Total Other Financing Source (Use)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(66,543)</u>
<i>Net Change in Fund Balances</i>	(1,606)	875	(11,214)	78,813
Fund Balances (Deficits) at				
Beginning of Year	<u>9,664</u>	<u>59,204</u>	<u>60,637</u>	<u>787,344</u>
<i>Fund Balances (Deficits) at End of Year</i>	<u>\$8,058</u>	<u>\$60,079</u>	<u>\$49,423</u>	<u>\$866,157</u>

<u>Sheriff Levy</u>	<u>County Court Special Projects</u>	<u>Transportation Improvement District (TID) Escrow</u>	<u>Juvenile Detention</u>	<u>Concealed Weapon</u>	<u>Total Nonmajor Special Revenue Funds</u>
\$394,043	\$0	\$0	\$0	\$0	\$4,003,390
0	98,422	0	0	0	3,168,621
0	0	0	0	6,378	449,330
0	0	0	0	0	80,855
55,587	0	0	33,333	0	10,256,276
0	0	0	0	0	4,557
6,442	0	0	0	0	238,687
0	0	0	0	0	15,856
18	0	0	0	0	86,215
<u>456,090</u>	<u>98,422</u>	<u>0</u>	<u>33,333</u>	<u>6,378</u>	<u>18,303,787</u>
0	0	0	0	0	900,148
0	28,561	0	68,605	0	133,406
434,171	0	0	0	5,228	2,543,054
0	0	1,202,913	0	0	1,953,653
0	0	0	0	0	753,572
0	0	0	0	0	11,683,639
0	0	0	0	0	1,227,142
0	0	0	0	0	1,540
0	0	0	0	0	381
<u>434,171</u>	<u>28,561</u>	<u>1,202,913</u>	<u>68,605</u>	<u>5,228</u>	<u>19,196,535</u>
<u>21,919</u>	<u>69,861</u>	<u>(1,202,913)</u>	<u>(35,272)</u>	<u>1,150</u>	<u>(892,748)</u>
0	0	416,926	0	0	1,296,605
0	0	0	0	0	(471,127)
0	0	416,926	0	0	825,478
21,919	69,861	(785,987)	(35,272)	1,150	(67,270)
<u>357,465</u>	<u>190,562</u>	<u>1,710,987</u>	<u>143,328</u>	<u>9,545</u>	<u>11,400,920</u>
<u>\$379,384</u>	<u>\$260,423</u>	<u>\$925,000</u>	<u>\$108,056</u>	<u>\$10,695</u>	<u>\$11,333,650</u>

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

	Debt Service	Special Assessment Debt Service	Total Nonmajor Debt Service Funds
Revenues			
Special Assessments	\$0	\$84,283	\$84,283
Intergovernmental	21,380	0	21,380
Interest	2,942	69,048	71,990
Rent	414,610	0	414,610
<i>Total Revenues</i>	<u>438,932</u>	<u>153,331</u>	<u>592,263</u>
Expenditures			
Debt Service:			
Principal Retirement	825,000	104,181	929,181
Interest and Fiscal Charges	704,098	66,294	770,392
<i>Total Expenditures</i>	<u>1,529,098</u>	<u>170,475</u>	<u>1,699,573</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,090,166)</u>	<u>(17,144)</u>	<u>(1,107,310)</u>
Other Financing Source (Use)			
Transfers In	907,870	44,157	952,027
Transfers Out	(16,804)	0	(16,804)
<i>Total Other Financing Source (Use)</i>	<u>891,066</u>	<u>44,157</u>	<u>935,223</u>
<i>Net Change in Fund Balances</i>	(199,100)	27,013	(172,087)
Fund Balances at Beginning of Year	<u>660,303</u>	<u>290,558</u>	<u>950,861</u>
<i>Fund Balances at End of Year</i>	<u>\$461,203</u>	<u>\$317,571</u>	<u>\$778,774</u>

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

	Issue II	Highway	Job and Family Services Renovation	Starlight Permanent Improvements
Revenues				
Charges for Services	\$0	\$0	\$0	\$0
Fines and Forfeitures	0	0	0	0
Intergovernmental	78,420	2,205,370	0	0
Interest	0	0	1,267	0
Payments in Lieu of Taxes	0	0	0	0
Other	0	0	0	8,847
<i>Total Revenues</i>	<u>78,420</u>	<u>2,205,370</u>	<u>1,267</u>	<u>8,847</u>
Expenditures				
Current:				
General Government:				
Judicial	0	0	0	0
Public Safety	0	0	0	0
Public Works	0	2,335,506	0	0
Human Services	0	0	142,634	60,102
Capital Outlay	249,094	0	544,958	0
Debt Service:				
Interest and Fiscal Charges	8,216	0	23,275	0
<i>Total Expenditures</i>	<u>257,310</u>	<u>2,335,506</u>	<u>710,867</u>	<u>60,102</u>
<i>Excess of Revenues Over (Under)</i>				
<i>Expenditures</i>	<u>(178,890)</u>	<u>(130,136)</u>	<u>(709,600)</u>	<u>(51,255)</u>
Other Financing Source (Use)				
Transfers In	298,439	154,136	21,934	350,000
Transfers Out	0	0	0	0
<i>Total Other Financing Source (Use)</i>	<u>298,439</u>	<u>154,136</u>	<u>21,934</u>	<u>350,000</u>
<i>Net Change in Fund Balances</i>	119,549	24,000	(687,666)	298,745
Fund Balances (Deficit) at				
Beginning of Year	<u>(435,404)</u>	<u>0</u>	<u>(2,292)</u>	<u>727,637</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>(\$315,855)</u>	<u>\$24,000</u>	<u>(\$689,958)</u>	<u>\$1,026,382</u>

(continued)

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

	Recorder Equipment	Court Computer	Brandywine Loop Construction	Economic Development
Revenues				
Charges for Services	\$74,866	\$0	\$0	\$0
Fines and Forfeitures	0	84,384	0	0
Intergovernmental	0	0	0	0
Interest	0	0	0	0
Payments in Lieu of Taxes	0	0	92,848	0
Other	0	0	0	0
<i>Total Revenues</i>	<u>74,866</u>	<u>84,384</u>	<u>92,848</u>	<u>0</u>
Expenditures				
Current:				
General Government:				
Judicial	0	146,809	0	0
Public Safety	0	0	0	0
Public Works	17,736	0	0	0
Human Services	0	0	0	0
Capital Outlay	0	0	0	0
Debt Service:				
Interest and Fiscal Charges	0	0	2,072	0
<i>Total Expenditures</i>	<u>17,736</u>	<u>146,809</u>	<u>2,072</u>	<u>0</u>
<i>Excess of Revenues Over (Under)</i>				
<i> Expenditures</i>	<u>57,130</u>	<u>(62,425)</u>	<u>90,776</u>	<u>0</u>
Other Financing Source (Use)				
Transfers In	0	0	0	0
Transfers Out	0	0	0	(155,845)
<i>Total Other Financing Source (Use)</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(155,845)</u>
<i>Net Change in Fund Balances</i>	57,130	(62,425)	90,776	(155,845)
Fund Balances (Deficit) at				
Beginning of Year	<u>322,540</u>	<u>406,578</u>	<u>(8,512)</u>	<u>155,845</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$379,670</u>	<u>\$344,153</u>	<u>\$82,264</u>	<u>\$0</u>

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

	Mitchell Lane	Salt Creek Drive	Total Nonmajor Capital Projects Funds
Revenues			
Charges for Services	\$0	\$0	\$74,866
Fines and Forfeitures	0	0	84,384
Intergovernmental	0	0	2,283,790
Interest	0	0	1,267
Payments in Lieu of Taxes	0	0	92,848
Other	0	0	8,847
<i>Total Revenues</i>	<u>0</u>	<u>0</u>	<u>2,546,002</u>
Expenditures			
Current:			
General Government:			
Judicial	0	0	146,809
Public Safety	0	0	70,227
Public Works	0	0	2,353,242
Human Services	0	0	202,736
Capital Outlay	0	0	794,052
Debt Service:			
Interest and Fiscal Charges	0	0	50,003
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>3,617,069</u>
<i>Excess of Revenues Over (Under)</i>			
<i>Expenditures</i>	<u>0</u>	<u>0</u>	<u>(1,071,067)</u>
Other Financing Source (Use)			
Transfers In	0	0	824,509
Transfers Out	(41)	(1,397)	(1,033,282)
<i>Total Other Financing Source (Use)</i>	<u>(41)</u>	<u>(1,397)</u>	<u>(208,773)</u>
<i>Net Change in Fund Balances</i>	(41)	(1,397)	(1,279,840)
Fund Balances (Deficit) at			
Beginning of Year	<u>41</u>	<u>1,397</u>	<u>2,154,011</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$874,171</u>

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for the financing on a cost-reimbursement basis of services provided by the self-insurance funds to other County departments and agencies. Charges to the user departments and agencies are intended to recover total costs.

Self-Insurance Health Fund - To account for employee health care benefits and claims related to this self-insurance program.

Self-Insurance Workers' Compensation Fund - To account for claims and administrative expenses of the County's workers' compensation retrospective-rating program.

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

	<u>Self-Insurance Health</u>	<u>Self-Insurance Workers' Compensation</u>	<u>Totals</u>
Assets			
Current Assets:			
Equity in Pooled Cash and Cash Equivalents	\$331,127	\$209,347	\$540,474
<i>Total Assets</i>	<u>331,127</u>	<u>209,347</u>	<u>540,474</u>
Liabilities			
Current Liabilities:			
Claims Payable	1,228,000	14,282	1,242,282
<i>Total Liabilities</i>	<u>1,228,000</u>	<u>14,282</u>	<u>1,242,282</u>
Net Assets			
Unrestricted (Deficit)	(896,873)	195,065	(701,808)
<i>Total Net Assets (Deficit)</i>	<u><u>(\$896,873)</u></u>	<u><u>\$195,065</u></u>	<u><u>(\$701,808)</u></u>

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

	Self-Insurance Health	Self-Insurance Workers' Compensation	Totals
Operating Revenues			
Charges for Services	\$6,842,826	\$0	\$6,842,826
Operating Expenses			
Claims	<u>6,687,127</u>	<u>(6,791)</u>	<u>6,680,336</u>
<i>Operating Income</i>	155,699	6,791	162,490
Non-Operating Revenues (Expenses)			
Other Non-Operating Revenues	1,648	0	1,648
Other Non-Operating Expenses	<u>0</u>	<u>(29,353)</u>	<u>(29,353)</u>
Total Non-Operating Revenues (Expenses)	<u>1,648</u>	<u>(29,353)</u>	<u>(27,705)</u>
<i>Income (Loss) Before Transfers</i>	157,347	(22,562)	134,785
Transfers Out	<u>0</u>	<u>(370,647)</u>	<u>(370,647)</u>
<i>Change in Net Assets</i>	157,347	(393,209)	(235,862)
Net Assets (Deficit) Beginning of Year	<u>(1,054,220)</u>	<u>588,274</u>	<u>(465,946)</u>
<i>Net Assets (Deficit) End of Year</i>	<u><u>(\$896,873)</u></u>	<u><u>\$195,065</u></u>	<u><u>(\$701,808)</u></u>

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

	Self-Insurance Health	Self-Insurance Workers' Compensation	Totals
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities			
Cash Received from Transactions with Other Funds	\$6,842,826	\$0	\$6,842,826
Cash Payments for Claims	(6,636,127)	0	(6,636,127)
Other Non-Operating Revenues	1,648	0	1,648
Other Non-Operating Expenses	0	(29,353)	(29,353)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>208,347</u>	<u>(29,353)</u>	<u>178,994</u>
Cash Flows from Noncapital Financing Activities			
Transfers Out	0	(370,647)	(370,647)
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	208,347	(400,000)	(191,653)
Cash and Cash Equivalents Beginning of Year	<u>122,780</u>	<u>609,347</u>	<u>732,127</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$331,127</u></u>	<u><u>\$209,347</u></u>	<u><u>\$540,474</u></u>
Reconciliation of Operating Income to Net Cash Provided by (Used for) Operating Activities			
Operating Income	\$155,699	\$6,791	\$162,490
Adjustments:			
Other Non-Operating Revenues	1,648	0	1,648
Other Non-Operating Expenses	0	(29,353)	(29,353)
Changes in Liabilities:			
Increase (Decrease) in Claims Payable	<u>51,000</u>	<u>(6,791)</u>	<u>44,209</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>\$208,347</u></u>	<u><u>(\$29,353)</u></u>	<u><u>\$178,994</u></u>

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:

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

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

Payroll Fund - To account for payroll, payroll taxes, and other related payroll deductions accumulated for payment to other governmental units and private organizations.

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

ADAMH Board (Muskingum Area Board of Alcohol, Drug Addiction, and Mental Health Services) Fund - To account for all revenues and related expenditures for the Six County Alcohol, Drug Addiction, and Mental Health Board for which Muskingum County is the fiscal agent.

Child Support Enforcement Fund - To account for the collection of alimony and child support payments and the distribution of such monies to the court-designated recipients.

Court Fund - To account for Clerk of Courts auto title fees, Probate, Juvenile, and County Court receipts.

Other Agency Funds

State of Ohio Fund
Local Emergency Planning Fund
Fines Fund
Escrow Fund
Law Library Fund
Hotel Lodging Tax Fund
Soil and Water Fund
Sheriff Fund
County Home Residents Fund
Children Services Fund

Port Authority Fund
Family and Children First Fund
Federally Owned Entitlement
Land Fund
Powelson Wildlife Fund
USDA Forest Service Fund
Ohio Elections Commission Fund
Muskingum County Park
Commission Fund
Recorder Housing Trust Fund

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

	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
Taxes Agency				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,777,912	\$63,901,645	\$63,864,195	\$2,815,362
Receivables:				
Intergovernmental	784,887	846,591	784,887	846,591
Accounts	1,667,657	1,634,489	1,667,657	1,634,489
Property and Other Taxes	49,458,114	50,197,856	49,458,114	50,197,856
Payment in Lieu of Taxes	0	946,904	0	946,904
<i>Total Assets</i>	<u>\$54,688,570</u>	<u>\$117,527,485</u>	<u>\$115,774,853</u>	<u>\$56,441,202</u>
Liabilities				
Intergovernmental Payable	\$54,688,570	\$117,527,485	\$115,774,853	\$56,441,202
<i>Total Liabilities</i>	<u>\$54,688,570</u>	<u>\$117,527,485</u>	<u>\$115,774,853</u>	<u>\$56,441,202</u>
Undivided State Monies				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$88,567	\$11,972,669	\$12,061,236	\$0
Receivables:				
Permissive Motor Vehicle License Tax	3,270	3,659	3,270	3,659
Intergovernmental Receivable	4,218,537	4,262,235	4,218,537	4,262,235
<i>Total Assets</i>	<u>\$4,310,374</u>	<u>\$16,238,563</u>	<u>\$16,283,043</u>	<u>\$4,265,894</u>
Liabilities				
Intergovernmental Payable	\$4,310,374	\$16,238,563	\$16,283,043	\$4,265,894
<i>Total Liabilities</i>	<u>\$4,310,374</u>	<u>\$16,238,563</u>	<u>\$16,283,043</u>	<u>\$4,265,894</u>
Payroll				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$262,148	\$21,963,380	\$21,987,779	\$237,749
<i>Total Assets</i>	<u>\$262,148</u>	<u>\$21,963,380</u>	<u>\$21,987,779</u>	<u>\$237,749</u>
Liabilities				
Undistributed Monies	\$262,148	\$21,963,380	\$21,987,779	\$237,749
<i>Total Liabilities</i>	<u>\$262,148</u>	<u>\$21,963,380</u>	<u>\$21,987,779</u>	<u>\$237,749</u>

(continued)

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

	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
Health				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$1,999,698	\$5,133,021	\$4,505,685	\$2,627,034
Receivables:				
Intergovernmental	94,144	78,277	94,144	78,277
Property and Other Taxes	1,870,556	1,917,738	1,870,556	1,917,738
Payments in Lieu of Taxes	28,377	15,719	28,377	15,719
<i>Total Assets</i>	<u>\$3,992,775</u>	<u>\$7,144,755</u>	<u>\$6,498,762</u>	<u>\$4,638,768</u>
Liabilities				
Intergovernmental Payable	\$3,992,775	\$7,144,755	\$6,498,762	\$4,638,768
<i>Total Liabilities</i>	<u>\$3,992,775</u>	<u>\$7,144,755</u>	<u>\$6,498,762</u>	<u>\$4,638,768</u>
ADAMH Board				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$4,053,426	\$18,730,230	\$17,830,987	\$4,952,669
<i>Total Assets</i>	<u>\$4,053,426</u>	<u>\$18,730,230</u>	<u>\$17,830,987</u>	<u>\$4,952,669</u>
Liabilities				
Undistributed Monies	\$4,053,426	\$18,730,230	\$17,830,987	\$4,952,669
<i>Total Liabilities</i>	<u>\$4,053,426</u>	<u>\$18,730,230</u>	<u>\$17,830,987</u>	<u>\$4,952,669</u>
Child Support Enforcement				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$25,446	\$1,351,880	\$1,345,919	\$31,407
<i>Total Assets</i>	<u>\$25,446</u>	<u>\$1,351,880</u>	<u>\$1,345,919</u>	<u>\$31,407</u>
Liabilities				
Undistributed Monies	\$25,446	\$1,351,880	\$1,345,919	\$31,407
<i>Total Liabilities</i>	<u>\$25,446</u>	<u>\$1,351,880</u>	<u>\$1,345,919</u>	<u>\$31,407</u>

(continued)

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

Court	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$319,049	\$12,221,023	\$12,280,080	\$259,992
Investments in Segregated Accounts	100,000	250	250	100,000
Accounts Receivable	131,735	132,269	131,735	132,269
<i>Total Assets</i>	<u>\$550,784</u>	<u>\$12,353,542</u>	<u>\$12,412,065</u>	<u>\$492,261</u>
Liabilities				
Intergovernmental Payable	\$31,735	\$33,769	\$31,735	\$33,769
Undistributed Monies	519,049	12,319,773	12,380,330	458,492
<i>Total Liabilities</i>	<u>\$550,784</u>	<u>\$12,353,542</u>	<u>\$12,412,065</u>	<u>\$492,261</u>
State of Ohio				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$253,226	\$253,226	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$253,226</u>	<u>\$253,226</u>	<u>\$0</u>
Liabilities				
Intergovernmental Payable	\$0	\$253,226	\$253,226	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$253,226</u>	<u>\$253,226</u>	<u>\$0</u>
Local Emergency Planning				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$11,654	\$15,700	\$14,225	\$13,129
<i>Total Assets</i>	<u>\$11,654</u>	<u>\$15,700</u>	<u>\$14,225</u>	<u>\$13,129</u>
Liabilities				
Intergovernmental Payable	\$11,654	\$15,700	\$14,225	\$13,129
<i>Total Liabilities</i>	<u>\$11,654</u>	<u>\$15,700</u>	<u>\$14,225</u>	<u>\$13,129</u>

(continued)

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

	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
Fines				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$32,325	\$514,642	\$511,689	\$35,278
<i>Total Assets</i>	<u>\$32,325</u>	<u>\$514,642</u>	<u>\$511,689</u>	<u>\$35,278</u>
Liabilities				
Intergovernmental Payable	\$32,325	\$514,642	\$511,689	\$35,278
<i>Total Liabilities</i>	<u>\$32,325</u>	<u>\$514,642</u>	<u>\$511,689</u>	<u>\$35,278</u>
Escrow				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$6,809	\$25,651	\$25,888	\$6,572
<i>Total Assets</i>	<u>\$6,809</u>	<u>\$25,651</u>	<u>\$25,888</u>	<u>\$6,572</u>
Liabilities				
Undistributed Monies	\$6,809	\$25,651	\$25,888	\$6,572
<i>Total Liabilities</i>	<u>\$6,809</u>	<u>\$25,651</u>	<u>\$25,888</u>	<u>\$6,572</u>
Law Library				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$204,464	\$204,464	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$204,464</u>	<u>\$204,464</u>	<u>\$0</u>
Liabilities				
Intergovernmental Payable	\$0	\$204,464	\$204,464	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$204,464</u>	<u>\$204,464</u>	<u>\$0</u>

(continued)

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

	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
Hotel Lodging Tax				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$20,365	\$286,178	\$284,395	\$22,148
Property and Other Taxes Receivable	19,314	15,030	19,314	15,030
<i>Total Assets</i>	<u>\$39,679</u>	<u>\$301,208</u>	<u>\$303,709</u>	<u>\$37,178</u>
Liabilities				
Intergovernmental Payable	\$39,679	\$301,208	\$303,709	\$37,178
<i>Total Liabilities</i>	<u>\$39,679</u>	<u>\$301,208</u>	<u>\$303,709</u>	<u>\$37,178</u>
Soil and Water				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$111,119	\$341,174	\$400,617	\$51,676
<i>Total Assets</i>	<u>\$111,119</u>	<u>\$341,174</u>	<u>\$400,617</u>	<u>\$51,676</u>
Liabilities				
Intergovernmental Payable	\$111,119	\$341,174	\$400,617	\$51,676
<i>Total Liabilities</i>	<u>\$111,119</u>	<u>\$341,174</u>	<u>\$400,617</u>	<u>\$51,676</u>
Sheriff				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$158,137	\$2,722,161	\$2,760,157	\$120,141
<i>Total Assets</i>	<u>\$158,137</u>	<u>\$2,722,161</u>	<u>\$2,760,157</u>	<u>\$120,141</u>
Liabilities				
Undistributed Monies	\$158,137	\$2,722,161	\$2,760,157	\$120,141
<i>Total Liabilities</i>	<u>\$158,137</u>	<u>\$2,722,161</u>	<u>\$2,760,157</u>	<u>\$120,141</u>

(continued)

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

	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
County Home Residents				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$2,987	\$19,405	\$19,134	\$3,258
<i>Total Assets</i>	\$2,987	\$19,405	\$19,134	\$3,258
Liabilities				
Undistributed Monies	\$2,987	\$19,405	\$19,134	\$3,258
<i>Total Liabilities</i>	\$2,987	\$19,405	\$19,134	\$3,258
Children Services				
Assets				
Cash and Cash Equivalents in Segregated Accounts	\$31,275	\$146,255	\$170,560	\$6,970
<i>Total Assets</i>	\$31,275	\$146,255	\$170,560	\$6,970
Liabilities				
Deposits Held and Due to Others	\$31,275	\$146,255	\$170,560	\$6,970
<i>Total Liabilities</i>	\$31,275	\$146,255	\$170,560	\$6,970
Port Authority				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$259,579	\$510,989	\$568,486	\$202,082
<i>Total Assets</i>	\$259,579	\$510,989	\$568,486	\$202,082
Liabilities				
Intergovernmental Payable	\$259,579	\$510,989	\$568,486	\$202,082
<i>Total Liabilities</i>	\$259,579	\$510,989	\$568,486	\$202,082

(continued)

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

	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
Family and Children First				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$315,516	\$1,531,388	\$1,540,437	\$306,467
<i>Total Assets</i>	<u>\$315,516</u>	<u>\$1,531,388</u>	<u>\$1,540,437</u>	<u>\$306,467</u>
Liabilities				
Intergovernmental Payable	\$315,516	\$1,531,388	\$1,540,437	\$306,467
<i>Total Liabilities</i>	<u>\$315,516</u>	<u>\$1,531,388</u>	<u>\$1,540,437</u>	<u>\$306,467</u>
Federally Owned Entitlement Land				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$9,054	\$9,054	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$9,054</u>	<u>\$9,054</u>	<u>\$0</u>
Liabilities				
Intergovernmental Payable	\$0	\$9,054	\$9,054	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$9,054</u>	<u>\$9,054</u>	<u>\$0</u>
Powelson Wildlife				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$19,055	\$0	\$19,055
<i>Total Assets</i>	<u>\$0</u>	<u>\$19,055</u>	<u>\$0</u>	<u>\$19,055</u>
Liabilities				
Undistributed Monies	\$0	\$19,055	\$0	\$19,055
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$19,055</u>	<u>\$0</u>	<u>\$19,055</u>

(continued)

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

	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
USDA Forest Service				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$33,417	\$33,417	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$33,417</u>	<u>\$33,417</u>	<u>\$0</u>
Liabilities				
Undistributed Monies	\$0	\$33,417	\$33,417	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$33,417</u>	<u>\$33,417</u>	<u>\$0</u>
Ohio Elections Commission				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$0	\$3,400	\$3,400	\$0
<i>Total Assets</i>	<u>\$0</u>	<u>\$3,400</u>	<u>\$3,400</u>	<u>\$0</u>
Liabilities				
Undistributed Monies	\$0	\$3,400	\$3,400	\$0
<i>Total Liabilities</i>	<u>\$0</u>	<u>\$3,400</u>	<u>\$3,400</u>	<u>\$0</u>
Muskingum County Park Commission				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$154,116	\$172,449	\$178,311	\$148,254
Intergovernmental Receivable	48,562	48,562	48,562	48,562
<i>Total Assets</i>	<u>\$202,678</u>	<u>\$221,011</u>	<u>\$226,873</u>	<u>\$196,816</u>
Liabilities				
Intergovernmental Payable	\$202,678	\$221,011	\$226,873	\$196,816
<i>Total Liabilities</i>	<u>\$202,678</u>	<u>\$221,011</u>	<u>\$226,873</u>	<u>\$196,816</u>

(continued)

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

	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
Recorder Housing Trust Fund				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$117,576	\$468,353	\$458,594	\$127,335
<i>Total Assets</i>	<u>\$117,576</u>	<u>\$468,353</u>	<u>\$458,594</u>	<u>\$127,335</u>
Liabilities				
Intergovernmental Payable	\$117,576	\$468,353	\$458,594	\$127,335
<i>Total Liabilities</i>	<u>\$117,576</u>	<u>\$468,353</u>	<u>\$458,594</u>	<u>\$127,335</u>
	Balance 1/1/05	Additions	Reductions	Balance 12/31/05
Total - All Agency Funds				
Assets				
Equity in Pooled Cash and Cash Equivalents	\$10,210,810	\$126,090,085	\$124,736,085	\$11,564,810
Cash and Cash Equivalents in Segregated Accounts	536,894	16,460,724	16,575,850	421,768
Investments in Segregated Accounts	100,000	250	250	100,000
Receivables:				
Permissive Motor Vehicle Licence Tax	3,270	3,659	3,270	3,659
Intergovernmental	5,146,130	5,235,665	5,146,130	5,235,665
Accounts	1,799,392	1,766,758	1,799,392	1,766,758
Property and Other Taxes	51,347,984	52,130,624	51,347,984	52,130,624
Payments in Lieu of Taxes	28,377	962,623	28,377	962,623
<i>Total Assets</i>	<u>\$69,172,857</u>	<u>\$202,650,388</u>	<u>\$199,637,338</u>	<u>\$72,185,907</u>
Liabilities				
Intergovernmental Payable	\$64,113,580	\$145,315,781	\$143,079,767	\$66,349,594
Deposits Held and Due to Others	31,275	146,255	170,560	6,970
Undistributed Monies	5,028,002	57,188,352	56,387,011	5,829,343
<i>Total Liabilities</i>	<u>\$69,172,857</u>	<u>\$202,650,388</u>	<u>\$199,637,338</u>	<u>\$72,185,907</u>

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

Muskingum 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)
Revenues			
Property and Other Taxes	\$2,606,798	\$2,628,261	\$21,463
Permissive Sales Taxes	12,500,000	14,324,063	1,824,063
Charges for Services	4,506,453	4,403,775	(102,678)
Licenses and Permits	5,450	8,116	2,666
Fines and Forfeitures	379,100	454,045	74,945
Intergovernmental	2,190,668	2,535,709	345,041
Interest	1,000,000	1,778,915	778,915
Payments in Lieu of Taxes	12,000	210,043	198,043
Rent	1,000	156,688	155,688
Contributions and Donations	0	6,251	6,251
Other	366,096	513,984	147,888
<i>Total Revenues</i>	<u>23,567,565</u>	<u>27,019,850</u>	<u>3,452,285</u>
Expenditures			
Current:			
General Government -			
Legislative and Executive			
Board of County Commissioners			
Salaries and Wages	617,607	554,592	63,015
Fringe Benefits	166,512	113,101	53,411
Materials and Supplies	107,620	98,475	9,145
Contractual Services	1,144,509	988,600	155,909
Capital Outlay	60,900	36,513	24,387
Other	381,084	390,426	(9,342)
<i>Total Board of County Commissioners</i>	<u>2,478,232</u>	<u>2,181,707</u>	<u>296,525</u>
County Auditor			
Salaries and Wages	324,226	324,158	68
Fringe Benefits	1,481	1,348	133
Materials and Supplies	26,962	26,658	304
Contractual Services	75,181	72,326	2,855
Capital Outlay	366	366	0
Other	590	590	0
<i>Total County Auditor</i>	<u>428,806</u>	<u>425,446</u>	<u>3,360</u>
Economic Development			
Contractual Services	7,568	0	7,568

(continued)

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

	Final Budget	Actual	Variance Positive (Negative)
General Government - Legislative and Executive (continued)			
Assessing Personal Property			
Salaries and Wages	\$51,496	\$51,488	\$8
Fringe Benefits	7,703	7,543	160
Materials and Supplies	1,717	1,643	74
<i>Total Assessing Personal Property</i>	<u>60,916</u>	<u>60,674</u>	<u>242</u>
Assessing Real Property			
Salaries and Wages	66,435	66,422	13
Fringe Benefits	59,449	58,496	953
<i>Total Assessing Real Property</i>	<u>125,884</u>	<u>124,918</u>	<u>966</u>
County Treasurer			
Salaries and Wages	141,996	139,747	2,249
Fringe Benefits	22,503	22,052	451
Materials and Supplies	6,015	6,015	0
Contractual Services	43,000	39,302	3,698
Capital Outlay	4,000	2,619	1,381
Other	2,000	1,977	23
<i>Total County Treasurer</i>	<u>219,514</u>	<u>211,712</u>	<u>7,802</u>
Prosecuting Attorney			
Salaries and Wages	728,582	719,625	8,957
Fringe Benefits	115,165	113,670	1,495
Materials and Supplies	53,747	50,421	3,326
Contractual Services	6,020	5,193	827
Capital Outlay	24,362	10,468	13,894
Other	80,686	75,071	5,615
<i>Total Prosecuting Attorney</i>	<u>1,008,562</u>	<u>974,448</u>	<u>34,114</u>
Budget Commission			
Salaries and Wages	32,995	30,646	2,349
Fringe Benefits	4,843	4,622	221
Materials and Supplies	9,500	9,500	0
Capital Outlay	2,500	2,172	328
<i>Total Budget Commission</i>	<u>49,838</u>	<u>46,940</u>	<u>2,898</u>
Bureau of Inspection			
Examinations - County Offices	97,365	92,823	4,542

(continued)

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

	Final Budget	Actual	Variance Positive (Negative)
General Government - Legislative and Executive (continued)			
Board of Revision			
Other	\$2,327	\$1,556	\$771
Board of Elections			
Salaries and Wages	207,255	206,665	590
Fringe Benefits	35,305	34,728	577
Materials and Supplies	40,000	38,311	1,689
Contractual Services	73,264	70,454	2,810
Capital Outlay	38,964	26,517	12,447
Other	5,896	5,879	17
<i>Total Board of Elections</i>	<u>400,684</u>	<u>382,554</u>	<u>18,130</u>
Automatic Data Processing Board			
Salaries and Wages	45,420	45,411	9
Fringe Benefits	6,795	6,655	140
Materials and Supplies	9,527	9,374	153
Contractual Services	24,532	23,175	1,357
Capital Outlay	3,139	3,139	0
<i>Total Automatic Data Processing Board</i>	<u>89,413</u>	<u>87,754</u>	<u>1,659</u>
Information Services			
Salaries and Wages	129,392	129,392	0
Fringe Benefits	19,369	19,026	343
Materials and Supplies	906	742	164
Capital Outlay	35,000	34,497	503
<i>Total Information Services</i>	<u>184,667</u>	<u>183,657</u>	<u>1,010</u>
Geographic Information Services			
Salaries and Wages	60,500	54,921	5,579
Fringe Benefits	30,426	10,084	20,342
Materials and Supplies	13,500	11,897	1,603
Contractual Services	40,288	24,484	15,804
Capital Outlay	54,226	53,199	1,027
<i>Total Geographic Information Services</i>	<u>198,940</u>	<u>154,585</u>	<u>44,355</u>
Maintenance and Operation			
Salaries and Wages	540,000	514,764	25,236
Fringe Benefits	81,436	78,301	3,135
Materials and Supplies	85,000	66,792	18,208
Contractual Services	400,153	200,592	199,561
Capital Outlay	5,000	5,000	0
Other	250,962	84,520	166,442
<i>Total Maintenance and Operation</i>	<u>1,362,551</u>	<u>949,969</u>	<u>412,582</u>

(continued)

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

	Final Budget	Actual	Variance Positive (Negative)
General Government - Legislative and Executive (continued)			
Recorder			
Salaries and Wages	\$163,573	\$156,118	\$7,455
Fringe Benefits	26,495	24,528	1,967
Materials and Supplies	10,605	7,089	3,516
Contractual Services	57,677	40,034	17,643
Other	1,865	1,865	0
<i>Total Recorder</i>	<u>260,215</u>	<u>229,634</u>	<u>30,581</u>
Insurance on Property			
County Buildings	305,509	290,203	15,306
Other County Property	34,563	25,628	8,935
<i>Total Insurance on Property</i>	<u>340,072</u>	<u>315,831</u>	<u>24,241</u>
Insurance on Persons			
Official Bonds	11,366	9,109	2,257
Group and Liability	2,415,776	2,280,629	135,147
<i>Total Insurance on Persons</i>	<u>2,427,142</u>	<u>2,289,738</u>	<u>137,404</u>
Pensions			
Medicare	156,914	127,433	29,481
Fleet Garage			
Salaries and Wages	97,397	96,616	781
Fringe Benefits	14,240	14,159	81
Materials and Supplies	109,070	108,064	1,006
<i>Total Fleet Garage</i>	<u>220,707</u>	<u>218,839</u>	<u>1,868</u>
<i>Total General Government - Legislative and Executive</i>	<u>10,120,317</u>	<u>9,060,218</u>	<u>1,060,099</u>
General Government - Judicial			
Court of Appeals			
Other	10,532	10,532	0
Domestic Relations Court			
Salaries and Wages	484,398	467,866	16,532
Fringe Benefits	71,593	68,995	2,598
Materials and Supplies	13,500	12,492	1,008
Contractual Services	4,285	3,783	502
Capital Outlay	11,200	8,647	2,553
Other	1,000	979	21
<i>Total Domestic Relations Court</i>	<u>585,976</u>	<u>562,762</u>	<u>23,214</u>

(continued)

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

	Final Budget	Actual	Variance Positive (Negative)
<i>General Government - Judicial (continued)</i>			
<i>Common Pleas Court</i>			
Salaries and Wages	\$229,194	\$209,773	\$19,421
Fringe Benefits	34,434	34,171	263
Materials and Supplies	18,697	17,992	705
Contractual Services	104,613	57,829	46,784
Capital Outlay	60,000	9,953	50,047
Other	5,010	2,346	2,664
<i>Total Common Pleas Court</i>	<u>451,948</u>	<u>332,064</u>	<u>119,884</u>
<i>Jury Commission</i>			
Salaries and Wages	7,550	7,550	0
Fringe Benefits	1,134	1,134	0
<i>Total Jury Commission</i>	<u>8,684</u>	<u>8,684</u>	<u>0</u>
<i>Adult Probation</i>			
Salaries and Wages	216,828	204,123	12,705
Fringe Benefits	28,509	27,538	971
Materials and Supplies	1,227	835	392
Contractual Services	2,256	634	1,622
Capital Outlay	373	0	373
<i>Total Adult Probation</i>	<u>249,193</u>	<u>233,130</u>	<u>16,063</u>
<i>Juvenile Court</i>			
Salaries and Wages	285,484	275,355	10,129
Fringe Benefits	41,582	40,826	756
Materials and Supplies	17,643	16,415	1,228
Contractual Services	13,665	13,500	165
Capital Outlay	4,000	293	3,707
Other	20,045	20,023	22
<i>Total Juvenile Court</i>	<u>382,419</u>	<u>366,412</u>	<u>16,007</u>
<i>Juvenile Probation</i>			
Salaries and Wages	405,076	389,639	15,437
Fringe Benefits	51,879	51,066	813
Materials and Supplies	2,746	2,057	689
Capital Outlay	1,500	575	925
Other	54,165	54,073	92
<i>Total Juvenile Probation</i>	<u>515,366</u>	<u>497,410</u>	<u>17,956</u>

(continued)

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

	Final Budget	Actual	Variance Positive (Negative)
General Government - Judicial (continued)			
Detention Home			
Salaries and Wages	\$1,092,436	\$1,038,086	\$54,350
Fringe Benefits	149,144	149,144	0
Materials and Supplies	114,309	109,252	5,057
Contractual Services	8,136	6,378	1,758
Capital Outlay	3,364	1,510	1,854
Other	39,037	38,318	719
<i>Total Detention Home</i>	<u>1,406,426</u>	<u>1,342,688</u>	<u>63,738</u>
Probate Court			
Salaries and Wages	126,362	122,344	4,018
Fringe Benefits	21,437	20,511	926
Materials and Supplies	5,753	5,753	0
Contractual Services	5,113	4,107	1,006
Capital Outlay	46	40	6
Other	5,576	5,567	9
<i>Total Probate Court</i>	<u>164,287</u>	<u>158,322</u>	<u>5,965</u>
Clerk of Courts			
Salaries and Wages	249,622	249,616	6
Fringe Benefits	38,321	36,474	1,847
Materials and Supplies	20,307	20,297	10
Contractual Services	24,897	24,665	232
Capital Outlay	2,508	2,508	0
Other	2,760	2,724	36
<i>Total Clerk of Courts</i>	<u>338,415</u>	<u>336,284</u>	<u>2,131</u>
County Court			
Salaries and Wages	238,473	235,679	2,794
Fringe Benefits	34,934	34,530	404
Materials and Supplies	12,198	10,918	1,280
Contractual Services	1,000	1,000	0
Capital Outlay	1,700	1,501	199
Other	8,485	7,955	530
<i>Total County Court</i>	<u>296,790</u>	<u>291,583</u>	<u>5,207</u>
Municipal Court			
Salaries and Wages	71,817	69,412	2,405
Fringe Benefits	9,813	9,612	201
<i>Total Municipal Court</i>	<u>81,630</u>	<u>79,024</u>	<u>2,606</u>

(continued)

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

	Final Budget	Actual	Variance Positive (Negative)
General Government - Judicial (continued)			
Law Library			
Salaries and Wages	\$21,348	\$19,889	\$1,459
Fringe Benefits	3,186	3,133	53
<i>Total Law Library</i>	<u>24,534</u>	<u>23,022</u>	<u>1,512</u>
Attorney Fees - Public Defender Attorney Fees	<u>720,000</u>	<u>678,504</u>	<u>41,496</u>
<i>Total General Government - Judicial</i>	<u>5,236,200</u>	<u>4,920,421</u>	<u>315,779</u>
Public Safety			
Coroner's Office			
Salaries and Wages	43,428	43,379	49
Fringe Benefits	6,253	6,223	30
Materials and Supplies	500	111	389
Contractual Services	67,437	58,308	9,129
<i>Total Coroner's Office</i>	<u>117,618</u>	<u>108,021</u>	<u>9,597</u>
Sheriff			
Salaries and Wages	4,086,331	4,082,728	3,603
Fringe Benefits	938,210	929,753	8,457
Materials and Supplies	229,401	226,061	3,340
Contractual Services	304,759	268,697	36,062
Capital Outlay	99,889	99,113	776
Other	38,210	35,165	3,045
<i>Total Sheriff</i>	<u>5,696,800</u>	<u>5,641,517</u>	<u>55,283</u>
Jail			
Contractual Services	<u>774,103</u>	<u>774,035</u>	<u>68</u>

(continued)

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

	Final Budget	Actual	Variance Positive (Negative)
Public Safety (continued)			
Disaster Services			
Salaries and Wages	\$20,771	\$20,646	\$125
Fringe Benefits	3,140	3,035	105
Materials and Supplies	500	456	44
Capital Outlay	12,500	12,488	12
Other	1,853	1,709	144
<i>Total Disaster Services</i>	<u>38,764</u>	<u>38,334</u>	<u>430</u>
Building Regulation			
Salaries and Wages	496,654	282,703	213,951
Fringe Benefits	125,693	59,703	65,990
Materials and Supplies	23,325	12,046	11,279
Contractual Services	240,294	141,411	98,883
Other	43,061	23,909	19,152
<i>Total Building Regulation</i>	<u>929,027</u>	<u>519,772</u>	<u>409,255</u>
<i>Total Public Safety</i>	<u>7,556,312</u>	<u>7,081,679</u>	<u>474,633</u>
Public Works			
Engineer			
Salaries and Wages	135,616	129,370	6,246
Fringe Benefits	20,213	18,561	1,652
Materials and Supplies	7,209	4,086	3,123
Contractual Services	5,000	5,000	0
Capital Outlay	307,453	13,175	294,278
Other	1,883	1,794	89
<i>Total Engineer</i>	<u>477,374</u>	<u>171,986</u>	<u>305,388</u>
Technical Support			
Salaries and Wages	9,525	9,525	0
Fringe Benefits	2,444	2,444	0
Materials and Supplies	1,732	0	1,732
Other	2,006	0	2,006
<i>Total Technical Support</i>	<u>15,707</u>	<u>11,969</u>	<u>3,738</u>
Planning Commission			
Salaries and Wages	7,000	4,319	2,681
Fringe Benefits	1,520	556	964
Materials and Supplies	1,500	789	711
<i>Total Planning Commission</i>	<u>10,020</u>	<u>5,664</u>	<u>4,356</u>
<i>Total Public Works</i>	<u>503,101</u>	<u>189,619</u>	<u>313,482</u>
Health			
Humane Society			
Salaries and Wages	22,545	22,515	30
Fringe Benefits	9,319	9,136	183
<i>Total Humane Society</i>	<u>31,864</u>	<u>31,651</u>	<u>213</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Health (continued)			
Agriculture			
Grant	\$250,000	\$250,000	\$0
Apiary Inspection	1,500	491	1,009
<i>Total Agriculture</i>	<u>251,500</u>	<u>250,491</u>	<u>1,009</u>
Other Health			
Crippled Children Aid	\$128,729	\$128,729	\$0
Other	60,495	60,495	0
<i>Total Other Health</i>	<u>189,224</u>	<u>189,224</u>	<u>0</u>
<i>Total Health</i>	<u>472,588</u>	<u>471,366</u>	<u>1,222</u>
Human Services			
Soldier's Relief			
Salaries and Wages	20,752	20,225	527
Fringe Benefits	11,248	9,432	1,816
Materials and Supplies	5,900	2,888	3,012
Contractual Services	230,205	199,412	30,793
Capital Outlay	6,000	32	5,968
Other	1,000	100	900
<i>Total Soldier's Relief</i>	<u>275,105</u>	<u>232,089</u>	<u>43,016</u>
Veteran's Services			
Salaries and Wages	153,852	141,947	11,905
Fringe Benefits	22,766	21,051	1,715
Materials and Supplies	8,500	2,888	5,612
Contractual Services	33,450	29,328	4,122
Other	500	0	500
<i>Total Veteran's Services</i>	<u>219,068</u>	<u>195,214</u>	<u>23,854</u>
<i>Total Human Services</i>	<u>494,173</u>	<u>427,303</u>	<u>66,870</u>

(continued)

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

	Final Budget	Actual	Variance Positive (Negative)
Intergovernmental			
Contractual Services	\$59,332	\$58,676	\$656
Grants	945,757	57,988	887,769
<i>Total Intergovernmental</i>	<u>1,005,089</u>	<u>116,664</u>	<u>888,425</u>
Debt Service:			
Principal Retirement	1,947	1,947	0
Interest and Fiscal Charges	819	819	0
<i>Total Debt Service</i>	<u>2,766</u>	<u>2,766</u>	<u>0</u>
<i>Total Expenditures</i>	<u>25,390,546</u>	<u>22,270,036</u>	<u>3,120,510</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,822,981)</u>	<u>4,749,814</u>	<u>6,572,795</u>
Other Financing Sources (Uses)			
Proceeds from the Sale of Capital Assets	15,000	13,760	(1,240)
Advances In	0	73,142	73,142
Advances Out	0	(168,548)	(168,548)
Transfers In	1,164,971	239,192	(925,779)
Transfers Out	(2,988,894)	(2,183,591)	805,303
<i>Total Other Financing Sources (Uses)</i>	<u>(1,808,923)</u>	<u>(2,026,045)</u>	<u>(217,122)</u>
<i>Net Change in Fund Balance</i>	<u>(3,631,904)</u>	<u>2,723,769</u>	<u>6,355,673</u>
Fund Balance at Beginning of Year	4,883,147	4,883,147	0
Prior Year Encumbrances Appropriated	443,489	443,489	0
<i>Fund Balance at End of Year</i>	<u><u>\$1,694,732</u></u>	<u><u>\$8,050,405</u></u>	<u><u>\$6,355,673</u></u>

Muskingum 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)
Revenues			
Intergovernmental	\$16,516,788	\$13,256,618	(\$3,260,170)
Other	839,858	337,938	(501,920)
<i>Total Revenues</i>	<u>17,356,646</u>	<u>13,594,556</u>	<u>(3,762,090)</u>
Expenditures			
Current:			
Human Services			
Public Assistance			
Salaries and Wages	4,030,000	3,614,014	415,986
Fringe Benefits	1,553,053	1,427,470	125,583
Materials and Supplies	190,876	171,047	19,829
Contractual Services	8,957,487	7,892,876	1,064,611
Capital Outlay	117,000	93,012	23,988
Other	2,842,748	2,680,846	161,902
<i>Total Human Services</i>	<u>17,691,164</u>	<u>15,879,265</u>	<u>1,811,899</u>
Debt Service:			
Principal Retirement	4,200	4,200	0
Interest and Fiscal Charges	1,010	1,010	0
<i>Total Debt Service</i>	<u>5,210</u>	<u>5,210</u>	<u>0</u>
<i>Total Expenditures</i>	<u>17,696,374</u>	<u>15,884,475</u>	<u>1,811,899</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(339,728)</u>	<u>(2,289,919)</u>	<u>(1,950,191)</u>
Other Financing Source (Use)			
Transfers In	971,377	421,999	(549,378)
Transfers Out	(21,934)	(21,934)	0
<i>Total Other Financing Source (Use)</i>	<u>949,443</u>	<u>400,065</u>	<u>(549,378)</u>
<i>Net Change in Fund Balance</i>	609,715	(1,889,854)	(2,499,569)
Fund Balance at Beginning of Year	130,023	130,023	0
Prior Year Encumbrances Appropriated	1,039,071	1,039,071	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$1,778,809</u>	<u>(\$720,760)</u>	<u>(\$2,499,569)</u>

Muskingum 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)
Revenues			
Permissive Motor Vehicle License Tax	\$450,000	\$456,544	\$6,544
Licenses and Permits	0	4,550	4,550
Fines and Forfeitures	100,000	98,014	(1,986)
Intergovernmental	4,300,000	4,722,140	422,140
Interest	14,000	17,919	3,919
Other	778,708	319,514	(459,194)
<i>Total Revenues</i>	<u>5,642,708</u>	<u>5,618,681</u>	<u>(24,027)</u>
Expenditures			
Current:			
Public Works			
Engineer			
Salaries and Wages	429,874	428,910	964
Fringe Benefits	152,183	149,796	2,387
Materials and Supplies	7,035	7,035	0
Contractual Services	1,885	1,322	563
Capital Outlay	93,103	90,415	2,688
Other	9,724	8,863	861
<i>Total Engineer</i>	<u>693,804</u>	<u>686,341</u>	<u>7,463</u>
Roads			
Salaries and Wages	1,045,921	855,631	190,290
Fringe Benefits	647,685	646,179	1,506
Materials and Supplies	1,246,050	982,805	263,245
Contractual Services	430,584	264,513	166,071
Capital Outlay	134,938	133,941	997
Other	495,829	387,367	108,462
<i>Total Roads</i>	<u>4,001,007</u>	<u>3,270,436</u>	<u>730,571</u>
Bridges and Culverts			
Salaries and Wages	184,999	183,997	1,002
Fringe Benefits	24,792	24,792	0
Materials and Supplies	210,966	192,997	17,969
Contractual Services	311,572	311,572	0
Other	6,179	5,473	706
<i>Total Bridges and Culverts</i>	<u>738,508</u>	<u>718,831</u>	<u>19,677</u>
<i>Total Public Works</i>	<u>5,433,319</u>	<u>4,675,608</u>	<u>757,711</u>
Intergovernmental			
Contractual Services	600,000	158,355	441,645
Debt Service:			
Principal Retirement	49,862	49,862	0
Interest and Fiscal Charges	5,575	5,575	0
<i>Total Debt Service</i>	<u>55,437</u>	<u>55,437</u>	<u>0</u>
<i>Total Expenditures</i>	<u>6,088,756</u>	<u>4,889,400</u>	<u>1,199,356</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(446,048)</u>	<u>729,281</u>	<u>1,175,329</u>
Other Financing Sources (Use)			
Proceeds from Sale of Capital Assets	4,800	4,800	0
Transfers In	456,875	1,438	(455,437)
Transfers Out	(708,012)	(452,575)	255,437
<i>Total Other Financing Sources (Use)</i>	<u>(246,337)</u>	<u>(446,337)</u>	<u>(200,000)</u>
<i>Net Change in Fund Balance</i>	<u>(692,385)</u>	<u>282,944</u>	<u>975,329</u>
Fund Balance at Beginning of Year	591,928	591,928	0
Prior Year Encumbrances Appropriated	304,607	304,607	0
<i>Fund Balance at End of Year</i>	<u>\$204,150</u>	<u>\$1,179,479</u>	<u>\$975,329</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property and Other Taxes	\$1,939,436	\$1,959,436	\$20,000
Charges for Services	710,713	705,013	(5,700)
Intergovernmental	384,576	272,847	(111,729)
Payments in Lieu of Taxes	35,080	35,080	0
Contributions and Donations	244	244	0
Other	24,663	24,663	0
<i>Total Revenues</i>	<u>3,094,712</u>	<u>2,997,283</u>	<u>(97,429)</u>
Expenditures			
Current:			
Human Services			
County Home			
Salaries and Wages	1,828,265	1,828,265	0
Fringe Benefits	711,157	705,009	6,148
Materials and Supplies	231,020	224,978	6,042
Contractual Services	307,992	301,517	6,475
Capital Outlay	11,659	9,211	2,448
Other	7,483	7,483	0
<i>Total Expenditures</i>	<u>3,097,576</u>	<u>3,076,463</u>	<u>21,113</u>
<i>Excess of Revenues Under Expenditures</i>	(2,864)	(79,180)	(76,316)
Other Financing Source			
Advances - In	0	47,000	47,000
<i>Net Change in Fund Balance</i>	(2,864)	(32,180)	(29,316)
Fund Balance at Beginning of Year	26,015	26,015	0
Prior Year Encumbrances Appropriated	7,237	7,237	0
<i>Fund Balance at End of Year</i>	<u>\$30,388</u>	<u>\$1,072</u>	<u>(\$29,316)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property and Other Taxes	\$3,303,158	\$3,303,158	\$0
Intergovernmental	3,049,301	2,991,598	(57,703)
Payments in Lieu of Taxes	79,521	79,521	0
Contributions and Donations	28,000	28,241	241
Other	60,014	55,605	(4,409)
<i>Total Revenues</i>	<u>6,519,994</u>	<u>6,458,123</u>	<u>(61,871)</u>
Expenditures			
Current:			
Human Services			
Starlight School			
Salaries and Wages	4,510,374	4,164,644	345,730
Fringe Benefits	1,420,000	1,271,789	148,211
Materials and Supplies	80,951	65,312	15,639
Contractual Services	930,908	730,625	200,283
Capital Outlay	203,037	172,730	30,307
Other	172,534	0	172,534
<i>Total Expenditures</i>	<u>7,317,804</u>	<u>6,405,100</u>	<u>912,704</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(797,810)</u>	<u>53,023</u>	<u>850,833</u>
Other Financing Source (Use)			
Transfers In	622	622	0
Transfers Out	(350,000)	(350,000)	0
<i>Total Other Financing Source (Use)</i>	<u>(349,378)</u>	<u>(349,378)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(1,147,188)	(296,355)	850,833
Fund Balance at Beginning of Year	9,325,675	9,325,675	0
Prior Year Encumbrances Appropriated	140,285	140,285	0
<i>Fund Balance at End of Year</i>	<u><u>\$8,318,772</u></u>	<u><u>\$9,169,605</u></u>	<u><u>\$850,833</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$1,855,530	\$1,968,766	\$113,236
Tap-In Fees	1,001,018	1,186,786	185,768
Grants	676,732	204,732	(472,000)
Bond Anticipation Notes Issued	4,818,454	3,300,000	(1,518,454)
Other Non-Operating Revenues	6,361	7,713	1,352
<i>Total Revenues</i>	<u>8,358,095</u>	<u>6,667,997</u>	<u>(1,690,098)</u>
Expenses			
Personal Services	402,903	355,542	47,361
Materials and Supplies	192,807	153,030	39,777
Contractual Services	8,125,658	7,622,821	502,837
Capital Outlay	261,436	223,172	38,264
Other Operating Expenses	68,000	62,076	5,924
<i>Total Expenses</i>	<u>9,050,804</u>	<u>8,416,641</u>	<u>634,163</u>
<i>Excess of Revenues Under Expenses</i>	(692,709)	(1,748,644)	(1,055,935)
Advances Out	0	(6,266)	(6,266)
Transfers In	29,279	29,279	0
Transfers Out	(1,918,301)	(1,918,301)	0
<i>Net Change in Fund Equity</i>	(2,581,731)	(3,643,932)	(1,062,201)
Fund Equity at Beginning of Year	4,932,424	4,932,424	0
Prior Year Encumbrances Appropriated	597,376	597,376	0
<i>Fund Equity at End of Year</i>	<u>\$2,948,069</u>	<u>\$1,885,868</u>	<u>(\$1,062,201)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$2,739,332	\$2,766,571	\$27,239
Tap-In Fees	93,109	122,320	29,211
Proceeds of Loans	79,396	79,396	0
Grants	117,286	117,286	0
Other Non-Operating Revenues	17,114	15,704	(1,410)
<i>Total Revenues</i>	<u>3,046,237</u>	<u>3,101,277</u>	<u>55,040</u>
Expenses			
Personal Services	624,798	595,983	28,815
Materials and Supplies	601,149	390,291	210,858
Contractual Services	2,547,416	1,833,841	713,575
Capital Outlay	32,984	11,586	21,398
Other Non-Operating Expenses	3,490	3,470	20
Debt Service:			
Principal Retirement	100,446	0	100,446
<i>Total Expenses</i>	<u>3,910,283</u>	<u>2,835,171</u>	<u>1,075,112</u>
<i>Excess of Revenues Over (Under) Expenses</i>	(864,046)	266,106	1,130,152
Advances Out	0	(26,000)	(26,000)
Transfers In	171,773	0	(171,773)
Transfers Out	(762,991)	(591,218)	171,773
<i>Net Change in Fund Equity</i>	(1,455,264)	(351,112)	1,104,152
Fund Equity at Beginning of Year	1,233,630	1,233,630	0
Prior Year Encumbrances Appropriated	641,405	641,405	0
<i>Fund Equity at End of Year</i>	<u>\$419,771</u>	<u>\$1,523,923</u>	<u>\$1,104,152</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$25,370	\$29,397	\$4,027
Licenses and Permits	85,000	96,159	11,159
Fines and Forfeitures	3,000	5,782	2,782
Other	0	10	10
<i>Total Revenues</i>	<u>113,370</u>	<u>131,348</u>	<u>17,978</u>
Expenditures			
Current:			
Health			
Animal Control			
Salaries and Wages	107,421	81,373	26,048
Fringe Benefits	35,065	29,275	5,790
Materials and Supplies	7,800	7,683	117
Contractual Services	23,800	8,440	15,360
Capital Outlay	6,652	2,252	4,400
Other	15,100	4,928	10,172
<i>Total Expenditures</i>	<u>195,838</u>	<u>133,951</u>	<u>61,887</u>
<i>Excess of Revenues Under Expenditures</i>	(82,468)	(2,603)	79,865
Other Financing Source			
Transfers In	74,485	50,000	(24,485)
<i>Net Change in Fund Balance</i>	(7,983)	47,397	55,380
Fund Balance at Beginning of Year	27,024	27,024	0
Prior Year Encumbrances Appropriated	2,452	2,452	0
<i>Fund Balance at End of Year</i>	<u>\$21,493</u>	<u>\$76,873</u>	<u>\$55,380</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$267,500	\$307,633	\$40,133
Intergovernmental	3,392,000	3,148,513	(243,487)
Other	540,000	70,856	(469,144)
<i>Total Revenues</i>	<u>4,199,500</u>	<u>3,527,002</u>	<u>(672,498)</u>
Expenditures			
Current:			
Human Services			
Child Support Enforcement			
Salaries and Wages	1,945,000	1,762,476	182,524
Fringe Benefits	812,885	768,499	44,386
Materials and Supplies	62,705	50,630	12,075
Contractual Services	1,794,657	1,377,396	417,261
Capital Outlay	34,619	16,273	18,346
Other	121,940	84,667	37,273
<i>Total Human Services</i>	<u>4,771,806</u>	<u>4,059,941</u>	<u>711,865</u>
Debt Service:			
Principal Retirement	1,540	1,540	0
Interest and Fiscal Charges	381	381	0
<i>Total Debt Service</i>	<u>1,921</u>	<u>1,921</u>	<u>0</u>
<i>Total Expenditures</i>	<u>4,773,727</u>	<u>4,061,862</u>	<u>711,865</u>
<i>Excess of Revenues Under Expenditures</i>	(574,227)	(534,860)	39,367
Other Financing Source			
Transfers In	887,247	694,670	(192,577)
<i>Net Change in Fund Balance</i>	313,020	159,810	(153,210)
Fund Balance at Beginning of Year	9,388	9,388	0
Prior Year Encumbrances Appropriated	178,985	178,985	0
<i>Fund Balance at End of Year</i>	<u><u>\$501,393</u></u>	<u><u>\$348,183</u></u>	<u><u>(\$153,210)</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$148,620	\$4,166	(\$144,454)
Contributions and Donations	37	70	33
<i>Total Revenues</i>	148,657	4,236	(144,421)
Expenditures			
<i>Total Expenditures</i>	0	0	0
<i>Net Change in Fund Balance</i>	148,657	4,236	(144,421)
Fund Balance at Beginning of Year	148,571	148,571	0
<i>Fund Balance at End of Year</i>	<u>\$297,228</u>	<u>\$152,807</u>	<u>(\$144,421)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
General Government - Legislative and Executive			
SBC Foundation Grant Fund			
Capital Outlay	330	330	0
<i>Net Change in Fund Balance</i>	(330)	(330)	0
Fund Balance at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	330	330	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property and Other Taxes	\$1,704,969	\$1,763,660	\$58,691
Charges for Services	1,481,573	1,646,736	165,163
Intergovernmental	2,696,975	3,443,108	746,133
Payments in Lieu of Taxes	0	34,446	34,446
Contributions and Donations	500	625	125
Other	15,200	40,466	25,266
<i>Total Revenues</i>	<u>5,899,217</u>	<u>6,929,041</u>	<u>1,029,824</u>
Expenditures			
Current:			
Human Services			
Children Services			
Salaries and Wages	2,976,750	2,825,461	151,289
Fringe Benefits	1,252,696	1,143,343	109,353
Materials and Supplies	255,804	213,822	41,982
Contractual Services	5,248,868	2,901,961	2,346,907
Capital Outlay	58,836	34,396	24,440
Other	482,300	433,531	48,769
<i>Total Expenditures</i>	<u>10,275,254</u>	<u>7,552,514</u>	<u>2,722,740</u>
<i>Net Change in Fund Balance</i>	(4,376,037)	(623,473)	3,752,564
Fund Balance at Beginning of Year	4,683,218	4,683,218	0
Prior Year Encumbrances Appropriated	<u>395,975</u>	<u>395,975</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$703,156</u></u>	<u><u>\$4,455,720</u></u>	<u><u>\$3,752,564</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$555,800	\$615,963	\$60,163
Fines and Forfeitures	1,000	1,800	800
Other	310	3,591	3,281
<i>Total Revenues</i>	<u>557,110</u>	<u>621,354</u>	<u>64,244</u>
Expenditures			
Current:			
General Government - Legislative and Executive			
County Auditor			
Salaries and Wages	153,925	153,910	15
Fringe Benefits	43,336	41,446	1,890
Materials and Supplies	3,766	2,827	939
Contractual Services	652,203	650,990	1,213
Other	8,190	7,429	761
<i>Total Expenditures</i>	<u>861,420</u>	<u>856,602</u>	<u>4,818</u>
<i>Net Change in Fund Balance</i>	(304,310)	(235,248)	69,062
Fund Balance at Beginning of Year	757,139	757,139	0
Prior Year Encumbrances Appropriated	<u>294,020</u>	<u>294,020</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$746,849</u></u>	<u><u>\$815,911</u></u>	<u><u>\$69,062</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Payments in Lieu of Taxes	\$202,000	\$203,390	\$1,390
Expenditures			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over Expenditures</i>	202,000	203,390	1,390
Other Financing Use			
Transfers Out	<u>(606,584)</u>	<u>(404,584)</u>	<u>202,000</u>
<i>Net Change in Fund Balance</i>	(404,584)	(201,194)	203,390
Fund Balance at Beginning of Year	<u>404,584</u>	<u>404,584</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$203,390</u></u>	<u><u>\$203,390</u></u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Drug Abuse Resistance Education (DARE) Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$14,259	\$14,259	\$0
Contributions and Donations	3,529	3,529	0
<i>Total Revenues</i>	<u>17,788</u>	<u>17,788</u>	<u>0</u>
Expenditures			
Current:			
Public Safety			
Drug Law Enforcement			
Salaries and Wages	39,300	37,318	1,982
Fringe Benefits	20,200	17,490	2,710
Materials and Supplies	6,000	5,825	175
<i>Total Expenditures</i>	<u>65,500</u>	<u>60,633</u>	<u>4,867</u>
<i>Excess of Revenues Under Expenditures</i>	(47,712)	(42,845)	4,867
Other Financing Source			
Transfers In	45,000	45,000	0
<i>Net Change in Fund Balance</i>	(2,712)	2,155	4,867
Fund Balance at Beginning of Year	<u>18,246</u>	<u>18,246</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$15,534</u></u>	<u><u>\$20,401</u></u>	<u><u>\$4,867</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$1,120,325	\$1,103,113	(\$17,212)
Expenditures			
Current:			
Public Safety			
Miscellaneous Federal Grants			
Salaries and Wages	136,420	133,894	2,526
Fringe Benefits	67,100	61,313	5,787
Materials and Supplies	2,500	0	2,500
Contractual Services	293,703	288,153	5,550
Capital Outlay	52,332	49,901	2,431
<i>Total Public Safety</i>	<u>552,055</u>	<u>533,261</u>	<u>18,794</u>
Public Works			
Miscellaneous Federal Grants			
Salaries and Wages	161,133	161,133	0
Materials and Supplies	116,589	116,589	0
Contractual Services	28,216	28,216	0
Capital Outlay	184,092	184,092	0
<i>Total Public Works</i>	<u>490,030</u>	<u>490,030</u>	<u>0</u>
<i>Total Expenditures</i>	<u>1,042,085</u>	<u>1,023,291</u>	<u>18,794</u>
<i>Net Change in Fund Balance</i>	78,240	79,822	1,582
Fund Balance at Beginning of Year	<u>80,788</u>	<u>80,788</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$159,028</u></u>	<u><u>\$160,610</u></u>	<u><u>\$1,582</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$31,796	\$26,145	(\$5,651)
Expenditures			
Current:			
General Government - Judicial			
Domestic Relations Court			
Contractual Services	31,796	27,935	3,861
<i>Net Change in Fund Balance</i>	0	(1,790)	(1,790)
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>(\$1,790)</u>	<u>(\$1,790)</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Delinquent Real Estate Tax and Assessment Collection Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$105,000	\$171,872	\$66,872
Other	0	6	6
<i>Total Revenues</i>	<u>105,000</u>	<u>171,878</u>	<u>66,878</u>
Expenditures			
Current:			
General Government - Legislative and Executive			
DRETAC			
Salaries and Wages	228,000	140,157	87,843
Fringe Benefits	34,400	22,353	12,047
Materials and Supplies	2,000	473	1,527
Capital Outlay	4,900	0	4,900
Other	161,983	19,249	142,734
<i>Total Expenditures</i>	<u>431,283</u>	<u>182,232</u>	<u>249,051</u>
<i>Net Change in Fund Balance</i>	(326,283)	(10,354)	315,929
Fund Balance at Beginning of Year	393,996	393,996	0
Prior Year Encumbrances Appropriated	<u>3,651</u>	<u>3,651</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$71,364</u></u>	<u><u>\$387,293</u></u>	<u><u>\$315,929</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$1,096,373	\$1,096,373	\$0
Expenditures			
Current:			
Public Safety			
Homeland Security			
Salaries and Wages	5,041	1,368	3,673
Fringe Benefits	900	142	758
Capital Outlay	1,055,284	977,518	77,766
<i>Total Expenditures</i>	1,061,225	979,028	82,197
<i>Excess of Revenues Over Expenditures</i>	35,148	117,345	82,197
Other Financing Source (Use)			
Advances In	0	24,409	24,409
Advances Out	0	(35,149)	(35,149)
<i>Total Other Financing Source (Use)</i>	0	(10,740)	(10,740)
<i>Net Change in Fund Balance</i>	35,148	106,605	71,457
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	\$35,148	\$106,605	\$71,457

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property and Other Taxes	\$381,410	\$390,840	\$9,430
Charges for Services	15,000	12,163	(2,837)
Intergovernmental	128,200	115,309	(12,891)
Payments in Lieu of Taxes	2,100	7,016	4,916
Other	60,312	20,127	(40,185)
<i>Total Revenues</i>	<u>587,022</u>	<u>545,455</u>	<u>(41,567)</u>
Expenditures			
Current:			
Health			
Tuberculosis Clinic			
Salaries and Wages	215,676	168,332	47,344
Fringe Benefits	74,111	64,342	9,769
Materials and Supplies	331,683	302,569	29,114
Contractual Services	89,419	78,555	10,864
Capital Outlay	41,970	34,679	7,291
Other	10,502	5,445	5,057
<i>Total Expenditures</i>	<u>763,361</u>	<u>653,922</u>	<u>109,439</u>
<i>Excess of Revenues Under Expenditures</i>	(176,339)	(108,467)	67,872
Other Financing Source			
Transfers In	126	126	0
<i>Net Change in Fund Balance</i>	(176,213)	(108,341)	67,872
Fund Balance at Beginning of Year	509,138	509,138	0
Prior Year Encumbrances Appropriated	43,023	43,023	0
<i>Fund Balance at End of Year</i>	<u><u>\$375,948</u></u>	<u><u>\$443,820</u></u>	<u><u>\$67,872</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$119,371	\$59,221	(\$60,150)
Expenditures			
Current:			
Public Safety			
Youth Services			
Salaries and Wages	54,351	51,168	3,183
Fringe Benefits	8,287	2,505	5,782
Contractual Services	15,340	15,340	0
<i>Total Expenditures</i>	<u>77,978</u>	<u>69,013</u>	<u>8,965</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	41,393	(9,792)	(51,185)
Other Financing Sources			
Transfers In	4,876	4,876	0
Advances In	0	6,000	6,000
<i>Total Other Financing Sources</i>	<u>4,876</u>	<u>10,876</u>	<u>6,000</u>
<i>Net Change in Fund Balance</i>	46,269	1,084	(45,185)
Fund Balance at Beginning of Year	<u>8,755</u>	<u>8,755</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$55,024</u></u>	<u><u>\$9,839</u></u>	<u><u>(\$45,185)</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$1,077,470	\$92,160	(\$985,310)
Other	0	1,774	1,774
<i>Total Revenues</i>	<u>1,077,470</u>	<u>93,934</u>	<u>(983,536)</u>
Expenditures			
Current:			
Public Works			
Block Grants			
Salaries and Wages	5,000	4,495	505
Fringe Benefits	14,570	2,767	11,803
Materials and Supplies	5,200	4,958	242
Contractual Services	630,494	165,921	464,573
<i>Total Expenditures</i>	<u>655,264</u>	<u>178,141</u>	<u>477,123</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>422,206</u>	<u>(84,207)</u>	<u>(506,413)</u>
Other Financing Sources			
Advances In	0	69,229	69,229
Transfers In	315	315	0
<i>Total Other Financing Sources</i>	<u>315</u>	<u>69,544</u>	<u>69,229</u>
<i>Net Change in Fund Balance</i>	422,521	(14,663)	(437,184)
Fund Balance (Deficit) at Beginning of Year	(5,718)	(5,718)	0
Prior Year Encumbrances Appropriated	56,888	56,888	0
<i>Fund Balance at End of Year</i>	<u>\$473,691</u>	<u>\$36,507</u>	<u>(\$437,184)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$8,000	\$8,047	\$47
Expenditures			
Current:			
General Government - Judicial			
Computer Legal Research			
Contractual Services	13,000	7,235	5,765
Other	2,000	0	2,000
<i>Total Expenditures</i>	15,000	7,235	7,765
<i>Net Change in Fund Balance</i>	(7,000)	812	7,812
Fund Balance at Beginning of Year	61,141	61,141	0
<i>Fund Balance at End of Year</i>	\$54,141	\$61,953	\$7,812

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$215,110	\$215,110	\$0
Expenditures			
Current:			
Public Safety			
Community Correction			
Salaries and Wages	143,392	143,192	200
Fringe Benefits	81,851	65,652	16,199
<i>Total Expenditures</i>	<u>225,243</u>	<u>208,844</u>	<u>16,399</u>
<i>Net Change in Fund Balance</i>	(10,133)	6,266	16,399
Fund Balance at Beginning of Year	<u>10,133</u>	<u>10,133</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$16,399</u></u>	<u><u>\$16,399</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$39,000	\$43,692	\$4,692
Intergovernmental	44,684	29,790	(14,894)
Other	0	9	9
<i>Total Revenues</i>	<u>83,684</u>	<u>73,491</u>	<u>(10,193)</u>
Expenditures			
Current:			
Public Safety			
Electronic Monitor			
Salaries and Wages	84,085	54,982	29,103
Fringe Benefits	33,443	13,931	19,512
Materials and Supplies	15,493	14,658	835
Capital Outlay	2,691	1,000	1,691
<i>Total Expenditures</i>	<u>135,712</u>	<u>84,571</u>	<u>51,141</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(52,028)</u>	<u>(11,080)</u>	<u>40,948</u>
Other Financing Source (Use)			
Advances Out	0	(673)	(673)
Transfers In	63,392	0	(63,392)
<i>Total Other Financing Source (Use)</i>	<u>63,392</u>	<u>(673)</u>	<u>(64,065)</u>
<i>Net Change in Fund Balance</i>	11,364	(11,753)	(23,117)
Fund Balance at Beginning of Year	181,747	181,747	0
Prior Year Encumbrances Appropriated	868	868	0
<i>Fund Balance at End of Year</i>	<u><u>\$193,979</u></u>	<u><u>\$170,862</u></u>	<u><u>(\$23,117)</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$77,920	\$66,600	(\$11,320)
Contributions and Donations	2,000	2,000	0
<i>Total Revenues</i>	<u>79,920</u>	<u>68,600</u>	<u>(11,320)</u>
Expenditures			
Current:			
Public Works			
Litter Prevention			
Salaries and Wages	59,462	59,462	0
Fringe Benefits	25,071	25,071	0
Materials and Supplies	29	29	0
Capital Outlay	2,444	2,444	0
Other	100	100	0
<i>Total Expenditures</i>	<u>87,106</u>	<u>87,106</u>	<u>0</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(7,186)</u>	<u>(18,506)</u>	<u>(11,320)</u>
Other Financing Sources (Use)			
Advances In	0	11,320	11,320
Advances Out	0	(11,320)	(11,320)
Transfers In	17,852	17,852	0
<i>Total Other Financing Sources (Use)</i>	<u>17,852</u>	<u>17,852</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	10,666	(654)	(11,320)
Fund Balance at Beginning of Year	<u>11,638</u>	<u>11,638</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$22,304</u></u>	<u><u>\$10,984</u></u>	<u><u>(\$11,320)</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$44,266	\$30,342	(\$13,924)
Expenditures			
Current:			
Human Services			
Ohio Childrens Trust			
Contractual Services	58,008	44,175	13,833
<i>Net Change in Fund Balance</i>	(13,742)	(13,833)	(91)
Fund Balance at Beginning of Year	13,833	13,833	0
<i>Fund Balance at End of Year</i>	<u>\$91</u>	<u>\$0</u>	<u>(\$91)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$29,000	\$24,341	(\$4,659)
Expenditures			
Current:			
Health			
Marriage License			
Contractual Services	29,000	24,341	4,659
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$29,909	\$32,451	\$2,542
Expenditures			
Current:			
Public Safety			
Political Subdivision Housing			
Contractual Services	25,000	0	25,000
<i>Net Change in Fund Balance</i>	4,909	32,451	27,542
Fund Balance at Beginning of Year	51,513	51,513	0
<i>Fund Balance at End of Year</i>	<u>\$56,422</u>	<u>\$83,964</u>	<u>\$27,542</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Indigent Drivers Alcohol Treatment Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$20,000	\$19,914	(\$86)
Intergovernmental	286	196	(90)
<i>Total Revenues</i>	20,286	20,110	(176)
Expenditures			
Current:			
Human Services			
Indigent Drivers Alcohol Treatment			
Contractual Services	42,003	32,126	9,877
<i>Net Change in Fund Balance</i>	(21,717)	(12,016)	9,701
Fund Balance at Beginning of Year	125,771	125,771	0
Prior Year Encumbrances Appropriated	8,003	8,003	0
<i>Fund Balance at End of Year</i>	<u>\$112,057</u>	<u>\$121,758</u>	<u>\$9,701</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$700	\$622	(\$78)
Expenditures			
Current:			
General Government - Judicial			
Probate Conduct of Business			
Other	4,060	3,282	778
<i>Net Change in Fund Balance</i>	(3,360)	(2,660)	700
Fund Balance at Beginning of Year	9,116	9,116	0
Prior Year Encumbrances Appropriated	360	360	0
<i>Fund Balance at End of Year</i>	<u>\$6,116</u>	<u>\$6,816</u>	<u>\$700</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$4,251	\$4,630	\$379
Expenditures			
Current:			
Public Safety			
Enforcement and Education			
Capital Outlay	8,500	4,720	3,780
Other	9,000	5,871	3,129
<i>Total Expenditures</i>	17,500	10,591	6,909
<i>Net Change in Fund Balance</i>	(13,249)	(5,961)	7,288
Fund Balance at Beginning of Year	39,525	39,525	0
<i>Fund Balance at End of Year</i>	<u>\$26,276</u>	<u>\$33,564</u>	<u>\$7,288</u>

Muskingum 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)
Revenues			
Fines and Forfeitures	\$5,000	\$12,191	\$7,191
Intergovernmental	35,802	35,802	0
Contributions and Donations	4,825	4,825	0
Other	2,031	2,031	0
<i>Total Revenues</i>	<u>47,658</u>	<u>54,849</u>	<u>7,191</u>
Expenditures			
Current:			
Public Safety			
Law Enforcement			
Materials and Supplies	14,000	0	14,000
Contractual Services	57,195	11,359	45,836
Capital Outlay	54,148	43,324	10,824
Other	11,500	3,339	8,161
<i>Total Expenditures</i>	<u>136,843</u>	<u>58,022</u>	<u>78,821</u>
<i>Excess of Revenues Under Expenditures</i>	(89,185)	(3,173)	86,012
Other Financing Source			
Transfers In	1,423	1,423	0
<i>Net Change in Fund Balance</i>	(87,762)	(1,750)	86,012
Fund Balance at Beginning of Year	121,135	121,135	0
Prior Year Encumbrances Appropriated	900	900	0
<i>Fund Balance at End of Year</i>	<u><u>\$34,273</u></u>	<u><u>\$120,285</u></u>	<u><u>\$86,012</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$0	\$22	\$22
Expenditures			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	0	22	22
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$22</u></u>	<u><u>\$22</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property and Other Taxes	\$572,871	\$583,997	\$11,126
Intergovernmental	73,374	80,193	6,819
Payments in Lieu of Taxes	300	9,201	8,901
Other	0	6,076	6,076
<i>Total Revenues</i>	<u>646,545</u>	<u>679,467</u>	<u>32,922</u>
Expenditures			
Current:			
Human Services			
Senior Citizens Levy			
Salaries and Wages	465,111	465,111	0
Fringe Benefits	170,255	163,004	7,251
<i>Total Expenditures</i>	<u>635,366</u>	<u>628,115</u>	<u>7,251</u>
<i>Excess of Revenues Over Expenditures</i>	11,179	51,352	40,173
Other Financing Source			
Transfers In	1,356	1,356	0
<i>Net Change in Fund Balance</i>	12,535	52,708	40,173
Fund Balance at Beginning of Year	<u>220,851</u>	<u>220,851</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$233,386</u></u>	<u><u>\$273,559</u></u>	<u><u>\$40,173</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$141,575	\$141,575	\$0
Expenditures			
Current:			
Public Safety			
Specialized Probation			
Salaries and Wages	135,076	88,365	46,711
Fringe Benefits	64,212	37,984	26,228
Contractual Services	25,068	2,189	22,879
<i>Total Expenditures</i>	<u>224,356</u>	<u>128,538</u>	<u>95,818</u>
<i>Net Change in Fund Balance</i>	(82,781)	13,037	95,818
Fund Balance at Beginning of Year	112,938	112,938	0
Prior Year Encumbrances Appropriated	<u>15</u>	<u>15</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$30,172</u></u>	<u><u>\$125,990</u></u>	<u><u>\$95,818</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$8,649	\$3,869	(\$4,780)
Other	1,033	1,033	0
<i>Total Revenues</i>	<u>9,682</u>	<u>4,902</u>	<u>(4,780)</u>
Expenditures			
Current:			
Public Safety			
Drug Law Enforcement			
Contractual Services	30,776	4,297	26,479
Capital Outlay	2,500	0	2,500
Other	12,500	1,676	10,824
<i>Total Expenditures</i>	<u>45,776</u>	<u>5,973</u>	<u>39,803</u>
<i>Net Change in Fund Balance</i>	(36,094)	(1,071)	35,023
Fund Balance at Beginning of Year	<u>52,328</u>	<u>52,328</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$16,234</u></u>	<u><u>\$51,257</u></u>	<u><u>\$35,023</u></u>

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

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Charges for Services	\$16,000	\$12,946	(\$3,054)
Expenditures			
Current:			
Human Services			
Indigent Guardianship			
Contractual Services	<u>16,000</u>	<u>13,234</u>	<u>2,766</u>
<i>Net Change in Fund Balance</i>	0	(288)	(288)
Fund Balance at Beginning of Year	<u>378</u>	<u>378</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$378</u></u>	<u><u>\$90</u></u>	<u><u>(\$288)</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$37,268	\$37,268	\$0
Expenditures			
Current:			
Public Safety			
Victim of Criminals			
Salaries and Wages	39,489	38,968	521
<i>Excess of Revenues Under Expenditures</i>	(2,221)	(1,700)	521
Other Financing Source			
Transfers In	1,860	1,860	0
<i>Net Change in Fund Balance</i>	(361)	160	521
Fund Balance at Beginning of Year	361	361	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$521</u>	<u>\$521</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$26,178	\$26,178	\$0
Expenditures			
Current:			
Human Services			
Family Resources			
Contractual Services	3,665	3,665	0
Other	48,691	48,691	0
<i>Total Expenditures</i>	52,356	52,356	0
<i>Net Change in Fund Balance</i>	(26,178)	(26,178)	0
Fund Balance at Beginning of Year	26,178	26,178	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$59,140	\$202,552	\$143,412
Expenditures			
Current:			
Public Safety			
Sheriff Commissary			
Materials and Supplies	43,000	195,833	(152,833)
Contractual Services	9,500	9,500	0
Capital Outlay	1,000	1,000	0
<i>Total Expenditures</i>	53,500	206,333	(152,833)
<i>Net Change in Fund Balance</i>	5,640	(3,781)	(9,421)
Fund Balance at Beginning of Year	9,421	9,421	0
<i>Fund Balance at End of Year</i>	\$15,061	\$5,640	(\$9,421)

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$111	\$111	\$0
Contributions and Donations	0	4,807	4,807
Other	55,889	2,376	(53,513)
<i>Total Revenues</i>	56,000	7,294	(48,706)
Expenditures			
Current:			
Human Services			
Children Services			
Materials and Supplies	56,000	7,711	48,289
<i>Net Change in Fund Balance</i>	0	(417)	(417)
Fund Balance at Beginning of Year	59,204	59,204	0
<i>Fund Balance at End of Year</i>	<u>\$59,204</u>	<u>\$58,787</u>	<u>(\$417)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property and Other Taxes	\$976,355	\$976,355	\$0
Intergovernmental	233,247	233,247	0
Payments in Lieu of Taxes	17,540	17,540	0
<i>Total Revenues</i>	1,227,142	1,227,142	0
Expenditures			
<i>Total Expenditures</i>	1,227,142	1,227,142	0
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$300,000	\$323,471	\$23,471
Other	0	105	105
<i>Total Revenues</i>	<u>300,000</u>	<u>323,576</u>	<u>23,576</u>
Expenditures			
Current:			
General Government -			
Legislative and Executive			
Clerk of Courts Title			
Salaries and Wages	125,105	122,858	2,247
Fringe Benefits	22,099	20,567	1,532
Materials and Supplies	14,488	14,350	138
Contractual Services	6,000	5,502	498
Capital Outlay	9,000	9,000	0
Other	61,147	15,570	45,577
<i>Total Expenditures</i>	<u>237,839</u>	<u>187,847</u>	<u>49,992</u>
<i>Excess of Revenues Over Expenditures</i>	62,161	135,729	73,568
Other Financing Use			
Transfers Out	<u>(66,543)</u>	<u>(66,543)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(4,382)	69,186	73,568
Fund Balance at Beginning of Year	769,943	769,943	0
Prior Year Encumbrances Appropriated	<u>3,527</u>	<u>3,527</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$769,088</u></u>	<u><u>\$842,656</u></u>	<u><u>\$73,568</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Property and Other Taxes	\$397,505	\$397,505	\$0
Intergovernmental	55,587	55,587	0
Payments in Lieu of Taxes	8,460	8,460	0
Other	18	18	0
<i>Total Revenues</i>	<u>461,570</u>	<u>461,570</u>	<u>0</u>
Expenditures			
Current:			
Public Safety			
Sheriff Department			
Salaries and Wages	338,750	314,029	24,721
Fringe Benefits	157,750	136,119	21,631
Materials and Supplies	1,000	0	1,000
Capital Outlay	20,500	0	20,500
<i>Total Expenditures</i>	<u>518,000</u>	<u>450,148</u>	<u>67,852</u>
<i>Net Change in Fund Balance</i>	(56,430)	11,422	67,852
Fund Balance at Beginning of Year	<u>359,846</u>	<u>359,846</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$303,416</u></u>	<u><u>\$371,268</u></u>	<u><u>\$67,852</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$90,000	\$97,531	\$7,531
Expenditures			
Current:			
General Government - Judicial			
County Court Special Projects			
Salaries and Wages	46,000	16,111	29,889
Fringe Benefits	18,329	5,857	12,472
Materials and Supplies	10,000	0	10,000
Contractual Services	20,000	9,244	10,756
Capital Outlay	15,000	81	14,919
<i>Total Expenditures</i>	109,329	31,293	78,036
<i>Net Change in Fund Balance</i>	(19,329)	66,238	85,567
Fund Balance at Beginning of Year	187,045	187,045	0
<i>Fund Balance at End of Year</i>	\$167,716	\$253,283	\$85,567

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Public Works			
TID Escrow			
Contractual Services	1,479,587	1,202,913	276,674
<i>Excess of Revenues Under Expenditures</i>	(1,479,587)	(1,202,913)	276,674
Other Financing Source			
Transfers In	1,884,171	416,926	(1,467,245)
<i>Net Change in Fund Balance</i>	404,584	(785,987)	(1,190,571)
Fund Balance at Beginning of Year	1,710,987	1,710,987	0
<i>Fund Balance at End of Year</i>	<u>\$2,115,571</u>	<u>\$925,000</u>	<u>(\$1,190,571)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$34,187	\$33,333	(\$854)
Expenditures			
Current:			
General Government - Judicial			
Juvenile Court			
Salaries and Wages	35,878	35,878	0
Fringe Benefits	32,745	8,839	23,906
Materials and Supplies	34,973	3,386	31,587
Contractual Services	15,532	10,758	4,774
Capital Outlay	29,386	19,575	9,811
Other	3,297	0	3,297
<i>Total Expenditures</i>	151,811	78,436	73,375
<i>Net Change in Fund Balance</i>	(117,624)	(45,103)	72,521
Fund Balance at Beginning of Year	111,441	111,441	0
Prior Year Encumbrances Appropriated	7,038	7,038	0
<i>Fund Balance at End of Year</i>	\$855	\$73,376	\$72,521

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Licenses and Permits	\$6,378	\$6,378	\$0
Expenditures			
Current:			
Public Safety			
Sheriff			
Materials and Supplies	1,500	0	1,500
Contractual Services	7,200	5,228	1,972
Capital Outlay	1,500	0	1,500
<i>Total Expenditures</i>	10,200	5,228	4,972
<i>Net Change in Fund Balance</i>	(3,822)	1,150	4,972
Fund Balance at Beginning of Year	9,545	9,545	0
<i>Fund Balance at End of Year</i>	\$5,723	\$10,695	\$4,972

Muskingum 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)
Revenues			
Intergovernmental	\$34,120	\$36,380	\$2,260
Interest	0	4,198	4,198
Rent	414,610	414,610	0
<i>Total Revenues</i>	<u>448,730</u>	<u>455,188</u>	<u>6,458</u>
Expenditures			
Intergovernmental			
Debt Service			
Contractual Services	15,985	15,985	0
Debt Service:			
Principal Retirement	1,675,000	1,675,000	0
Interest and Fiscal Charges	724,191	726,032	(1,841)
<i>Total Expenditures</i>	<u>2,415,176</u>	<u>2,417,017</u>	<u>(1,841)</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(1,966,446)</u>	<u>(1,961,829)</u>	<u>4,617</u>
Other Financing Sources (Uses)			
Bond Anticipation Notes Issued	850,000	850,000	0
Transfers In	1,144,445	929,804	(214,641)
Transfers Out	(16,804)	(16,804)	0
<i>Net Change in Fund Balance</i>	11,195	(198,829)	(210,024)
Fund Balance at Beginning of Year	279,859	279,859	0
Prior Year Encumbrances Appropriated	550	550	0
<i>Fund Balance at End of Year</i>	<u>\$291,604</u>	<u>\$81,580</u>	<u>(\$210,024)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Special Assessments	\$85,452	\$84,283	(\$1,169)
Interest	69,048	69,048	0
<i>Total Revenues</i>	<u>154,500</u>	<u>153,331</u>	<u>(1,169)</u>
Expenditures			
Debt Service:			
Principal Retirement	104,181	104,181	0
Interest and Fiscal Charges	68,592	66,294	2,298
<i>Total Expenditures</i>	<u>172,773</u>	<u>170,475</u>	<u>2,298</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(18,273)</u>	<u>(17,144)</u>	<u>1,129</u>
Other Financing Sources			
Advances In	0	6,266	6,266
Transfers In	46,995	37,741	(9,254)
<i>Total Other Financing Sources</i>	<u>46,995</u>	<u>44,007</u>	<u>(2,988)</u>
<i>Net Change in Fund Balance</i>	28,722	26,863	(1,859)
Fund Balance at Beginning of Year	<u>296,974</u>	<u>296,974</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$325,696</u></u>	<u><u>\$323,837</u></u>	<u><u>(\$1,859)</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Debt Service:			
Principal Retirement	103,000	103,000	0
Interest and Fiscal Charges	3,000	2,350	650
<i>Total Expenditures</i>	106,000	105,350	650
<i>Excess of Revenues Under Expenditures</i>	(106,000)	(105,350)	650
Other Financing Sources			
Bond Anticipation Notes Issued	10,000	0	(10,000)
Advances In	0	10,590	10,590
Transfers In	96,000	94,436	(1,564)
<i>Total Other Financing Sources</i>	106,000	105,026	(974)
<i>Net Change in Fund Balance</i>	0	(324)	(324)
Fund Balance at Beginning of Year	330	330	0
<i>Fund Balance at End of Year</i>	\$330	\$6	(\$324)

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$0	\$47,699	\$47,699
Expenditures			
Debt Service:			
Principal Retirement	2,249,567	2,238,832	10,735
Interest and Fiscal Charges	315,118	304,894	10,224
<i>Total Expenditures</i>	<u>2,564,685</u>	<u>2,543,726</u>	<u>20,959</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(2,564,685)</u>	<u>(2,496,027)</u>	<u>68,658</u>
Other Financing Sources			
Bond Anticipation Notes Issued	470,520	1,880,560	1,410,040
Transfers In	2,080,000	2,080,000	0
<i>Total Other Financing Sources</i>	<u>2,550,520</u>	<u>3,960,560</u>	<u>1,410,040</u>
<i>Net Change in Fund Balance</i>	(14,165)	1,464,533	1,478,698
Fund Balance at Beginning of Year	<u>181,994</u>	<u>181,994</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$167,829</u></u>	<u><u>\$1,646,527</u></u>	<u><u>\$1,478,698</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Interest	\$0	\$229	\$229
Expenditures			
Debt Service:			
Principal Retirement	340,233	339,688	545
Interest and Fiscal Charges	351,955	349,004	2,951
<i>Total Expenditures</i>	692,188	688,692	3,496
<i>Excess of Revenues Under Expenditures</i>	(692,188)	(688,463)	3,725
Other Financing Source			
Transfers In	687,427	591,218	(96,209)
<i>Net Change in Fund Balance</i>	(4,761)	(97,245)	(92,484)
Fund Balance at Beginning of Year	99,134	99,134	0
<i>Fund Balance at End of Year</i>	<u>\$94,373</u>	<u>\$1,889</u>	<u>(\$92,484)</u>

Muskingum County, Ohio
Schedule of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
STAR Region 8 Fund
For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$75,292	\$0	(\$75,292)
Expenditures			
Current:			
Public Safety			
Disaster Services			
Capital Outlay	75,292	0	75,292
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$116,958	\$78,420	(\$38,538)
Expenditures			
Capital Outlay			
Issue 2			
Capital Outlay	266,014	249,094	16,920
Debt Service:			
Principal Retirement	113,062	108,627	4,435
Interest and Fiscal Charges	8,216	8,216	0
<i>Total Debt Service</i>	121,278	116,843	4,435
<i>Total Expenditures</i>	387,292	365,937	21,355
<i>Excess of Revenues Under Expenditures</i>	(270,334)	(287,517)	(17,183)
Other Financing Source			
Transfers In	302,874	298,439	(4,435)
<i>Net Change in Fund Balance</i>	32,540	10,922	(21,618)
Fund Balance at Beginning of Year	2,425	2,425	0
<i>Fund Balance at End of Year</i>	\$34,965	\$13,347	(\$21,618)

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Intergovernmental	\$2,139,899	\$2,181,370	\$41,471
Expenditures			
Current:			
Public Works			
Highway Fund			
Capital Outlay	2,237,248	2,335,506	(98,258)
<i>Excess of Revenues Under Expenditures</i>	(97,349)	(154,136)	(56,787)
Other Financing Source			
Transfers In	154,136	154,136	0
<i>Net Change in Fund Balance</i>	56,787	0	(56,787)
Fund Balance at Beginning of Year	0	0	0
<i>Fund Balance at End of Year</i>	<u>\$56,787</u>	<u>\$0</u>	<u>(\$56,787)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Human Services			
Job and Family Services Renovation			
Capital Outlay	142,623	142,623	0
Capital Outlay			
Job and Family Services Renovation			
Capital Outlay	706,508	620,833	85,675
<i>Total Expenditures</i>	849,131	763,456	85,675
<i>Excess of Revenues Over (Under) Expenditures</i>	(849,131)	(763,456)	85,675
Fund Balance at Beginning of Year	850,000	850,000	0
<i>Fund Balance at End of Year</i>	<u>\$869</u>	<u>\$86,544</u>	<u>\$85,675</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Other	\$8,847	\$8,847	\$0
Expenditures			
Current:			
Human Services			
Starlight Permanent Improvements			
Contractual Services	332,000	63,558	268,442
<i>Excess of Revenues Over (Under) Expenditures</i>	(323,153)	(54,711)	268,442
Other Financing Source			
Transfers In	350,000	350,000	0
<i>Net Change in Fund Balance</i>	26,847	295,289	268,442
Fund Balance at Beginning of Year	725,637	725,637	0
Prior Year Encumbrances Appropriated	2,000	2,000	0
<i>Fund Balance at End of Year</i>	<u>\$754,484</u>	<u>\$1,022,926</u>	<u>\$268,442</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$75,000	\$74,594	(\$406)
Expenditures			
Current:			
Public Works			
Recorder Equipment			
Capital Outlay	89,970	17,736	72,234
<i>Net Change in Fund Balance</i>	(14,970)	56,858	71,828
Fund Balance at Beginning of Year	307,570	307,570	0
Prior Year Encumbrances Appropriated	14,970	14,970	0
<i>Fund Balance at End of Year</i>	<u>\$307,570</u>	<u>\$379,398</u>	<u>\$71,828</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Fines and Forfeitures	\$84,125	\$80,242	(\$3,883)
Expenditures			
Current:			
General Government - Judicial			
Court Computer Fund			
Salaries and Wages	10,480	8,715	1,765
Fringe Benefits	1,789	1,179	610
Materials and Supplies	15,138	8,000	7,138
Contractual Services	125,330	107,709	17,621
Capital Outlay	40,897	27,991	12,906
<i>Total Expenditures</i>	193,634	153,594	40,040
<i>Net Change in Fund Balance</i>	(109,509)	(73,352)	36,157
Fund Balance at Beginning of Year	395,647	395,647	0
Prior Year Encumbrances Appropriated	8,035	8,035	0
<i>Fund Balance at End of Year</i>	<u>\$294,173</u>	<u>\$330,330</u>	<u>\$36,157</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Payments in Lieu of Taxes	\$96,000	\$94,436	(\$1,564)
Expenditures			
<i>Total Expenditures</i>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	96,000	94,436	(1,564)
Other Financing Use			
Transfers Out	<u>(96,000)</u>	<u>(94,436)</u>	<u>1,564</u>
<i>Net Change in Fund Balance</i>	0	0	0
Fund Balance at Beginning of Year	<u>0</u>	<u>0</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
<i>Total Expenditures</i>	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
Other Financing Use			
Transfers Out	(155,845)	(155,845)	0
<i>Net Change in Fund Balance</i>	(155,845)	(155,845)	0
Fund Balance at Beginning of Year	155,845	155,845	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
<i>Total Expenditures</i>	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
Other Financing Use			
Transfers Out	(4,576)	(4,576)	0
<i>Net Change in Fund Balance</i>	(4,576)	(4,576)	0
Fund Balance at Beginning of Year	4,576	4,576	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Public Safety			
Law Enforcement Block Grant			
Materials and Supplies	31,276	31,276	0
Contractual Services	2,287	2,287	0
<i>Total Expenditures</i>	33,563	33,563	0
<i>Excess of Revenues Over (Under) Expenditures</i>	(33,563)	(33,563)	0
Other Financing Use			
Transfers Out	(1,423)	(1,423)	0
<i>Net Change in Fund Balance</i>	(34,986)	(34,986)	0
Fund Balance at Beginning of Year	20,377	20,377	0
Prior Year Encumbrances Appropriated	14,609	14,609	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Debt Service:			
Principal Retirement	72,733	72,733	0
Interest and Fiscal Charges	17,712	17,712	0
<i>Total Expenditures</i>	90,445	90,445	0
<i>Net Change in Fund Balance</i>	(90,445)	(90,445)	0
Fund Balance at Beginning of Year	361,781	361,781	0
<i>Fund Balance at End of Year</i>	<u>\$271,336</u>	<u>\$271,336</u>	<u>\$0</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
Current:			
Public Safety			
Permanent Improvements			
Contractual Services	36,664	36,664	0
<i>Net Change in Fund Balance</i>	(36,664)	(36,664)	0
Fund Balance at Beginning of Year	36,664	36,664	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
<i>Total Expenditures</i>	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
Other Financing Use			
Transfers Out	(41)	(41)	0
<i>Net Change in Fund Balance</i>	(41)	(41)	0
Fund Balance at Beginning of Year	41	41	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenditures			
<i>Total Expenditures</i>	0	0	0
<i>Excess of Revenues Over Expenditures</i>	0	0	0
Other Financing Use			
Transfers Out	(1,397)	(1,397)	0
<i>Net Change in Fund Balance</i>	(1,397)	(1,397)	0
Fund Balance at Beginning of Year	1,397	1,397	0
<i>Fund Balance at End of Year</i>	\$0	\$0	\$0

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
Charges for Services	\$6,838,330	\$6,842,826	\$4,496
Other Non-Operating Revenues	1,648	1,648	0
<i>Total Revenues</i>	6,839,978	6,844,474	4,496
Expenses			
Claims	6,962,758	6,636,127	326,631
<i>Net Change in Fund Equity</i>	(122,780)	208,347	331,127
Fund Equity at Beginning of Year	122,780	122,780	0
<i>Fund Equity at End of Year</i>	<u>\$0</u>	<u>\$331,127</u>	<u>\$331,127</u>

Muskingum County, Ohio
 Schedule of Revenues, Expenses, and Changes
 In Fund Equity - Budget (Non-GAAP Basis) and Actual
 Self-Insurance Workers' Compensation Fund
 For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Positive (Negative)
Revenues			
<i>Total Revenues</i>	\$0	\$0	\$0
Expenses			
Other Non-Operating Expenses	500,000	400,000	100,000
<i>Net Change in Fund Equity</i>	(500,000)	(400,000)	100,000
Fund Equity at Beginning of Year	609,347	609,347	0
<i>Fund Equity at End of Year</i>	\$109,347	\$209,347	\$100,000

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STATISTICAL SECTION

Statistical Section

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

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Table 1

Muskingum County, Ohio

**Governmental Activities Revenues by Source
and Expenses by Function
Last Three Years**

	2005	2004	2003 (1)
<u>Program Revenues</u>			
Charges for Services	\$10,580,322	\$10,378,467	\$9,773,306
Operating Grants and Contributions and Interest	32,201,692	29,161,392	30,491,123
Capital Grants and Contributions	2,362,026	1,073,927	1,288,966
<u>General Revenues</u>			
Property Taxes Levied for General Purposes	2,629,977	2,628,212	2,417,067
Property Taxes Levied for:			
Public Safety	395,525	401,368	381,621
Health	1,375,532	1,373,067	1,310,675
Human Services	7,411,572	7,741,265	7,320,364
Sales Taxes Levied for General Purposes	14,152,780	13,935,524	13,816,525
Grants and Entitlements not Restricted to Specific Programs	1,801,309	1,808,232	1,830,285
Investment Earnings	1,942,630	1,170,550	1,064,382
Payments in Lieu of Taxes	794,915	423,048	388,076
Miscellaneous	1,038,882	825,519	767,335
Total Revenues	<u><u>\$76,687,162</u></u>	<u><u>\$70,920,571</u></u>	<u><u>\$70,849,725</u></u>
<u>Expenses</u>			
General Government:			
Legislative and Executive	\$10,487,228	\$10,640,486	\$10,702,124
Judicial	4,934,808	5,344,175	5,381,347
Public Safety	9,834,606	9,416,728	8,771,477
Public Works	11,052,895	7,656,460	6,564,687
Health	1,268,184	1,232,031	1,320,856
Human Services	36,836,517	35,310,650	34,610,003
Economic Development and Assistance	0	49,388	210,829
Intergovernmental	1,502,161	1,814,782	3,181,411
Interest and Fiscal Charges	825,361	844,015	993,640
Total Expenses	<u><u>\$76,741,760</u></u>	<u><u>\$72,308,715</u></u>	<u><u>\$71,736,374</u></u>

(1) 2003 was the first year for full accrual reporting.

Source: County financial records

Table 2**Muskingum County, Ohio****General Governmental Expenditures by Function (1)****Last Ten Years**

Year	General Government						Economic Development and Assistance
	Legislative and Executive	Judicial	Public Safety	Public Works	Health	Human Services	
1996	\$5,790,463	\$2,364,505	\$4,675,726	\$4,686,464	\$582,155	\$17,888,019	\$0
1997	6,091,276	2,497,658	4,940,871	4,785,526	858,300	18,489,281	0
1998	6,198,091	2,637,207	5,693,644	4,716,899	662,005	22,552,590	0
1999	7,333,296	2,778,603	6,256,357	4,710,733	983,309	26,578,488	0
2000	8,486,836	3,371,481	6,577,647	6,714,462	980,906	29,997,228	0
2001	9,354,515	4,298,202	7,122,080	6,108,478	1,049,478	36,831,751	0
2002	10,222,311	4,710,982	7,448,024	6,448,298	1,086,797	33,474,700	0
2003	10,828,545	5,307,299	8,169,253	6,997,696	1,264,062	33,996,146	599,198
2004	10,718,679	5,271,766	9,731,514	7,026,708	1,172,102	34,916,010	273,474
2005	10,352,334	5,002,932	9,294,114	8,851,644	1,223,480	36,550,271	0

Note:

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Represents refunds of overpayment of property taxes.

Source: Muskingum County Auditor

Other	Refund of Property Taxes (2)	Capital Outlay	Inter- governmental	Debt Service	Total
\$2,060	\$0	\$3,425,288	\$2,002,955	\$1,821,309	\$43,238,944
2,810	23,877	3,334,942	1,806,185	1,925,238	44,755,964
2,600	37,432	2,469,693	3,242,232	1,969,950	50,182,343
4,000	32,030	7,362,288	1,620,793	2,235,028	59,894,925
4,000	18,664	10,458,582	1,674,831	2,682,090	70,966,727
4,000	0	2,309,450	1,570,241	2,650,483	71,298,678
4,000	0	3,820,691	1,662,730	2,142,018	71,020,551
0	0	876,696	3,181,411	3,213,281	74,433,587
0	0	1,150,477	1,814,782	2,005,313	74,080,825
0	0	901,552	1,502,161	1,814,910	75,493,398

Table 3**Muskingum County, Ohio****General Governmental Revenues by Source (1)****Last Ten Years**

Year	Property and Other Taxes	Special Assessments	Permissive Sales Taxes	Permissive Motor Vehicle License Tax	Charges for Services	Licenses and Permits	Fines and Forfeitures	Inter- governmental
1996	\$9,474,376	\$163,752	\$10,210,675	\$0	\$3,885,998	\$450,358	\$537,910	\$18,935,486
1997	9,915,697	173,877	10,876,779	0	3,878,596	457,152	560,134	20,539,534
1998	10,423,478	169,511	11,643,851	0	4,620,348	663,625	569,867	23,503,715
1999	10,994,058	166,026	12,443,482	0	4,916,318	460,647	680,074	26,026,984
2000	11,296,061	158,555	13,458,803	0	5,563,268	455,537	528,464	31,934,530
2001	11,844,518	155,040	13,246,444	0	6,917,108	461,370	583,213	37,477,218
2002	11,172,659	152,200	13,592,599	0	6,985,268	472,190	766,609	34,955,974
2003	11,427,537	81,362	13,733,258	0	7,679,245	484,334	701,211	32,234,244
2004	12,078,589	81,692	14,013,240	468,123 (3)	8,157,937	524,651	640,631	32,498,473
2005	11,850,514	84,283	14,101,148	459,755	8,351,631	461,996	720,587	36,991,223

Note:

(1) Includes general, special revenue, debt service and capital projects funds.

(2) Represents payments in lieu of taxes for the Brandywine Loop Extension Notes and for various tax increment financing agreements.

(3) In previous years, this amount was presented as part of intergovernmental revenue.

Source: Muskingum County Auditor

Interest	Payments in Lieu of Taxes (2)	Rent	Contributions and Donations	Other	Total
\$1,485,780	\$0	\$331,708	\$0	\$148,184	\$45,624,227
1,666,635	82,059	343,458	0	177,976	48,671,897
2,065,513	88,232	352,274	0	142,301	54,242,715
2,487,299	94,349	258,385	0	307,589	58,835,211
3,049,153	93,652	258,603	0	362,838	67,159,464
2,537,866	393,154	914,550	0	681,329	75,211,810
1,500,122	360,421	598,970	0	564,803	71,121,815
1,118,975	388,076	567,197	36,471	328,777	68,780,687
1,184,866	423,048	585,811	45,609	781,235	71,483,902
1,970,680	794,915	572,037	66,695	1,044,022	77,469,486

Table 4

Muskingum County, Ohio

Property Tax Levies and Collections - Real and Public Utility Property

Last Ten Years

Year	Equalized Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collection	Total Tax Collections	Percent of Total Collection To Levy	Outstanding Delinquent Taxes (1)	Percent of Outstanding Delinquent Taxes to Tax Levy
1996	\$1,575,206	\$1,506,131	95.6%	\$70,489	\$1,576,620	100.1%	\$153,589	9.8%
1997	1,604,065	1,541,498	96.1%	65,182	1,606,680	100.2%	136,506	8.5%
1998	1,842,679	1,750,154	95.0%	77,185	1,827,339	99.2%	140,789	7.6%
1999	1,872,469	1,792,682	95.7%	73,520	1,866,202	99.7%	149,155	8.0%
2000	1,906,216	1,821,316	95.5%	81,316	1,902,632	99.8%	147,880	7.8%
2001	2,381,108	2,240,197	94.1%	84,022	2,324,219	97.6%	204,920	8.6%
2002	2,363,210	2,239,338 (2)	94.8%	112,232	2,351,570	99.5%	224,877	9.5%
2003	2,423,571	2,290,012	94.5%	118,453	2,408,465	99.4%	241,405	10.0%
2004	2,611,051	2,478,897	94.9%	138,211	2,617,108	100.2%	237,230	9.1%
2005	2,670,662	2,532,191	94.8%	126,945	2,659,136	99.6%	260,845	9.8%

All amounts represent County general operating monies only.

(1) The amounts include all prior year delinquencies and the current year delinquencies.

(2) The reduction is due to gas and electric deregulation which resulted in a reduction in assessed valuation.

Source: Muskingum County Auditor

Table 5**Muskingum County, Ohio****Property Tax Levies and Collections - Tangible Personal Property****Last Ten Years**

Year	Current Tax Levy	Total Tax Collections	Percent of Total Collection to Levy	Outstanding Delinquent Taxes	Percent of Outstanding Delinquent Taxes to Tax Levy
1996	\$260,010	\$260,117	100.0%	\$67,857	26.1%
1997	275,053	288,800	105.0%	59,312	21.6%
1998	279,410	273,865	98.0%	73,741	26.4%
1999	274,162	288,725	105.3%	82,643	30.1%
2000	298,925	321,952	107.7%	78,871	26.4%
2001	321,639	332,504	103.4%	74,388	23.1%
2002	320,649	325,826	101.6%	67,764	21.1%
2003	302,685	313,022	103.4%	63,476	21.0%
2004	299,960	318,878	106.3%	78,530	26.2%
2005	312,588	314,035	100.5%	71,518	22.9%

All amounts represent County general operating monies only.

Source: Muskingum County Auditor

Table 6**Muskingum County, Ohio****Assessed and Estimated Actual Value of Taxable Property****Last Ten Years**

Collection Year	Real Property (1)		Personal Property		Public Utilities - Personal (2)	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
1996	\$630,380,520	\$1,801,087,200	\$120,934,720	\$483,738,880	\$100,571,080	\$100,571,080
1997	645,505,660	1,844,301,885	127,931,535	511,726,140	99,071,260	99,071,260
1998	757,999,440	2,165,712,685	129,957,914	519,831,656	100,536,540	100,536,540
1999	770,379,080	2,201,083,086	127,515,839	510,063,356	95,951,950	95,951,950
2000	790,660,220	2,259,026,940	139,035,055	556,140,220	99,203,390	99,203,390
2001	1,008,288,560	2,880,824,460	149,599,655	598,398,620	71,615,740	71,615,740
2002	1,027,551,480	2,935,861,370	149,138,885	621,412,020	78,281,320	78,281,320
2003	1,048,960,670	2,997,030,486	140,783,708	563,134,832	77,451,290	77,451,290
2004	1,136,991,170	3,248,546,200	139,516,375	558,065,500	78,147,450	78,147,450
2005	1,164,021,180	3,325,774,800	108,271,331	433,085,324	80,144,210	80,144,210

(1) Real property values include public utility real property.

(2) Beginning in 2001, the reduction in Public Utility Personal Property assessed and estimated actual values is due to gas and electric deregulation.

Source: Muskingum County Auditor

Totals		
Assessed Value	Estimated Actual Value	Ratio
\$851,886,320	\$2,385,397,160	35.71%
872,508,455	2,455,099,285	35.54%
988,493,894	2,786,080,881	35.48%
993,846,869	2,807,098,392	35.40%
1,028,898,665	2,914,370,550	35.30%
1,229,503,955	3,550,838,820	34.63%
1,254,971,685	3,635,554,710	34.52%
1,267,195,668	3,637,616,608	34.84%
1,354,654,995	3,884,759,150	34.87%
1,352,436,721	3,839,004,334	35.23%

Table 7

Muskingum County, Ohio

Property Tax Rates - Direct and All Overlapping Governments
(Per Thousand Dollars of Assessed Value)

Last Ten Years

County Units	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Fund	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15	\$2.15
T. B. Clinic	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Mental Retardation and Development Disabilities	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
County Home	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.50
Mental health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Children Services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	0.00
Library Bond	0.70	0.70	0.70	0.70	0.50	0.10	0.00	0.00	0.00	0.00
Sheriff Operations	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Senior Services	0.00	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Rates	13.75	14.25	14.25	14.25	14.05	13.65	13.55	13.55	13.55	12.05
Special Districts										
Muskingum County General Health District	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	1.50	1.50
School Districts										
East Muskingum	37.61	37.01	37.01	36.81	40.01	40.01	39.81	39.81	39.01	39.11
Franklin	38.40	38.40	38.40	38.20	37.10	37.10	37.10	38.25	37.85	37.65
Maysville	37.45	37.45	41.35	41.35	40.95	40.95	40.85	40.65	40.45	40.35
Tri-Valley	35.55	35.55	35.55	35.55	35.55	40.45	40.55	40.55	40.55	40.55
West Muskingum	41.90	41.50	41.50	41.10	40.60	40.60	46.59	44.00	44.00	43.90
Zanesville	44.95	44.55	43.85	44.45	43.70	43.90	49.38	49.20	49.30	48.90
Out of County										
School Districts										
Licking Valley	30.90	30.90	39.70	38.90	38.48	38.38	37.18	37.00	36.93	36.30
Morgan	32.50	32.50	32.50	35.76	35.76	35.78	35.86	36.37	35.97	35.97
Riverview	31.30	31.30	31.30	31.30	31.30	31.30	31.30	31.30	31.30	31.30
Rolling Hills	40.25	34.09	33.34	33.34	32.16	31.55	31.40	29.45	29.10	29.10

(continued)

Table 7

Muskingum County, Ohio

Property Tax Rates - Direct and All Overlapping Governments
(Per Thousand Dollars of Assessed Value)Last Ten Years
(Continued)

Joint Vocational School Districts	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Mid-East Ohio Career and Technology Centers (1)	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20
Coshocton County	2.00	2.00	2.00	2.00	2.00	2.50	2.50	2.50	2.50	2.50
Licking County	2.00	2.00	2.00	2.00	2.00	2.00	3.00	2.80	3.00	3.00
Corporations										
Adamsville	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65	2.65
Dresden - Cass Township	4.10	3.70	3.70	3.70	4.00	3.90	3.90	3.90	4.10	3.90
Dresden - Jefferson Township	5.05	4.65	4.65	4.65	4.95	4.85	4.85	4.85	5.05	4.85
Frazeysburg	5.15	5.15	5.15	5.15	7.15	7.15	7.15	7.15	7.15	7.15
Fultonham	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20	2.20
Gratiot	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
New Concord	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30	6.30
Norwich	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80
Philo	11.65	11.65	11.65	11.65	11.65	11.65	11.65	7.55	10.05	10.05
Roseville	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80	10.80
South Zanesville	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Zanesville - Zanesville SD & Tri-Valley SD	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40	3.40
Zanesville - West Muskingum SD	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
Zanesville - Falls Township (2)	0.00	0.00	0.00	0.40	0.40	0.40	0.40	0.40	0.40	0.40

Note: School District (SD)

(continued)

- (1) Formerly Muskingum Area Joint Vocational School
(2) New District Created by annexation

Table 7

Muskingum County, Ohio

**Property Tax Rates - Direct and All Overlapping Governments
(Per Thousand Dollars of Assessed Value)**

**Last Ten Years
(Continued)**

Townships	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Adams	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35	\$4.35
Blue Rock	3.70	3.70	3.70	4.70	4.70	4.70	4.70	4.70	3.70	3.70
Brush Creek	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90	2.90
Cass	3.25	3.25	3.25	3.25	2.75	2.75	3.25	3.25	3.25	3.25
Clay	3.50	3.50	3.50	3.50	3.50	2.50	3.25	3.25	3.25	3.25
Falls	3.35	3.35	3.65	3.65	3.65	3.65	3.65	3.65	3.65	3.65
Harrison	11.80	11.80	10.80	10.80	11.80	10.30	11.80	11.80	11.80	11.80
Highland	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40	4.40
Hopewell	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85	4.85
Jackson	6.65	6.85	6.85	6.85	6.85	6.85	6.85	6.85	5.85	6.85
Jefferson	3.40	3.40	3.40	3.40	2.40	2.40	2.40	2.40	2.40	4.90
Licking	5.75	6.25	6.25	6.25	6.25	4.75	5.75	5.75	6.25	6.25
Madison	2.40	2.40	2.40	2.40	2.40	2.40	2.40	4.00	4.00	4.00
Meigs	4.25	4.25	3.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Monroe	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20	4.20
Muskingum	3.50	3.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.65
Newton	5.45	5.45	5.45	5.45	8.45	8.45	8.45	8.45	8.45	8.45
Perry	6.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20	6.20
Rich Hill	3.20	3.20	3.20	3.20	3.20	3.20	4.20	4.20	4.20	4.20
Salem	3.55	3.55	3.55	3.55	3.55	3.55	3.55	3.55	3.55	3.55
Salt Creek	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Springfield	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35
Union	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	3.60	4.60
Washington	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15	4.15
Wayne	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: Muskingum County Auditor

Table 8**Muskingum County, Ohio****Special Assessments Billed and Collected (1)****Last Ten Years**

Year		Total Assessments Levied	Assessments Collected	Percent Collected	Outstanding Delinquencies
1996		\$173,860	\$163,752	94.2%	\$10,108
1997	(2)	187,620	173,877	92.7%	13,743
1998		184,733	169,511	91.8%	15,222
1999		181,259	166,026	91.6%	15,233
2000	(3)	157,404	158,555	100.7%	13,191
2001		153,809	155,040	100.8%	13,439
2002		150,117	152,200	101.4%	16,575
2003	(4)	156,025	159,163	102.0%	18,505
2004		156,025	157,849	101.2%	18,997
2005		152,429	153,331	100.6%	21,965

These figures only reflect the Falls, Maysville and Capital Facilities Refunding Sewer Assessments and do not include certified delinquent sewer accounts or line fence assessments.

- (1) Includes interest.
- (2) Beginning with 1997, figures also include Nob Hill Sewer Assessments.
- (3) Beginning with 2000, amounts levied are current charges only and assessments collected are total collections including delinquents.
- (4) Beginning with 2003, figures also include Ash Meadows Sewer Assessments.

Source: Muskingum County Auditor

Table 9**Muskingum County, Ohio****Computation of Legal Debt Margin
December 31, 2005**

	Total Debt Limit (1)	Total Unvoted Limit (2)
Total Assessed Property Value for 2005	\$1,352,436,721	\$1,352,436,721
Debt Limitation of Assessed Value	32,310,918	13,524,367
Total Outstanding Debt December 31, 2005		
General Obligation Bonds Payable	\$25,561,000	\$25,561,000
Notes Payable	6,802,763	6,802,763
Revenue Bonds Payable	555,800	555,800
OWDA Loans Payable from Enterprise Funds	3,287,184	3,287,184
Special Assessment Debt Payable	1,007,985	1,007,985
Total Outstanding Debt	<u>37,214,732</u>	<u>37,214,732</u>
Less:		
General Obligation Bonds Payable - Exempt	18,283,500	18,283,500
Notes Payable - Exempt	6,802,763	6,802,763
Revenue Bonds Payable	555,800	555,800
OWDA Loans Payable from Enterprise Revenues	3,287,184	3,287,184
Bonds Payable From Special Assessments	1,007,985	1,007,985
Amount Available in Debt Service Fund	461,203	461,203
Total	<u>30,398,435</u>	<u>30,398,435</u>
Net Debt Applicable to Debt Limitation	6,816,297	6,816,297
Total Legal Debt Margin	<u>\$25,494,621</u>	<u>\$6,708,070</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.

Table 10**Muskingum County, Ohio****Ratio of Net General Obligation Bonded Debt to Assessed Value and
Net General Obligation Bonded Debt Per Capita****Last Ten Years**

Year	Population	Assessed Value	General Obligation Bonded Debt (1)	Debt Service Monies Available	Net General Obligation Bonded Debt	Ratio of Net General Obligation Bonded Debt to Assessed Value	Net Bonded General Obligation Debt Per Capita
1996	84,169	\$851,886,320	\$11,590,000	\$566,116	\$11,023,884	1.294%	130.97
1997	84,169	872,508,455	10,840,000	772,142	10,067,858	1.154%	119.61
1998	84,169	988,493,894	10,615,000	1,074,420	9,540,580	0.965%	113.35
1999	84,169	993,846,869	18,680,000	1,540,999	17,139,001	1.725%	203.63
2000	84,585	1,028,898,665	17,380,000	1,559,264	15,820,736	1.538%	187.04
2001	84,585	1,229,503,955	15,990,000	1,680,783	14,309,217	1.164%	169.17
2002	84,585	1,254,971,685	17,775,000	1,859,951	15,915,049	1.268%	188.15
2003	84,585	1,267,195,668	15,710,000	633,330	15,076,670	1.190%	178.24
2004	84,585	1,354,654,995	14,725,000	660,303	14,064,697	1.038%	166.28
2005	84,585	1,352,436,721	13,900,000	461,203	13,438,797	0.994%	158.88

(1) Includes only general obligation bonds payable from property taxes and rent.

Source: Population estimates from Chamber of Commerce and the Census Bureau.

Table 11**Muskingum County, Ohio****Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General Governmental Expenditures****Last Ten Years**

Year	Principal	Interest	Total	Total General Governmental Expenditures	Ratio of Annual Debt Service to Total Governmental Fund Expenditures
1996	\$675,000	\$813,654	\$1,488,654	\$43,238,944	3.44%
1997	750,000	765,860	1,515,860	45,755,964	3.31%
1998	840,000	644,736	1,484,736	50,182,343	2.96%
1999	935,000	790,396	1,725,396	59,894,925	2.88%
2000	1,300,000	952,234	2,252,234	70,966,727	3.17%
2001	1,390,000	881,225	2,271,225	71,304,678	3.19%
2002	970,000	857,076	1,827,076	71,022,751	2.57%
2003	2,265,000	875,083	3,140,083	74,433,587	4.22%
2004	985,000	733,452	1,718,452	74,080,825	2.32%
2005	825,000	700,606	1,525,606	75,493,398	2.02%

Note: Includes only general obligation bonds payable from property taxes and rent

Source: Muskingum County Auditor

Table 12

Muskingum County, Ohio

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

Political Subdivision	Net Debt Outstanding (1)	Percent Applicable to Muskingum County	Amount Applicable to Muskingum County
DIRECT DEBT			
The County	\$13,438,797	100.00%	\$13,438,797
Total Direct Debt	<u>13,438,797</u>		<u>13,438,797</u>
OVERLAPPING DEBT			
Entities Wholly Within the County			
The City of Zanesville	4,690,000	100.00%	4,690,000
School Districts	37,254,576	100.00%	37,254,576
All villages wholly within County	1,692,727	100.00%	1,692,727
All townships wholly within County	0	100.00%	0
Total Entities Wholly Within the County	<u>43,637,303</u>		<u>43,637,303</u>
Entities Not Wholly Within the County			
East Muskingum Local School District	6,363,000	71.53%	4,551,454
Rolling Hills Local School District	975,000	0.12%	1,170
Tri-Valley Local School District	17,305,000	97.89%	16,939,865
Morgan Local School District	6,221,905	0.01%	622
Licking County Career Center Joint Vocational School	30,335,000	0.01%	3,034
West Muskingum Local School District	22,760,000	94.50%	21,508,200
Franklin Local School District	7,550,000	94.29%	7,118,895
Licking Valley Local	15,283,425	0.07%	10,698
Roseville Village	19,280	46.50%	8,965
Total Entities Not Wholly Within the County	<u>106,812,610</u>		<u>50,142,903</u>
Total Overlapping Debt	<u>150,449,913</u>		<u>93,780,206</u>
Total Direct and Overlapping Debt	<u><u>\$163,888,710</u></u>		<u><u>\$107,219,003</u></u>

Note: The percentage of gross indebtedness of the County's overlapping political subdivision was determined by dividing each overlapping subdivision's assessed valuation within the County by its total assessed valuation.

(1) Amount includes only general obligation bonds payable from property taxes and rent.

Source: OMAC and Muskingum County Auditor's Office

Table 13**Muskingum County, Ohio****Revenue Bond Coverage
Sewer Fund****Last Ten Years**

Year	Gross Revenues (1)	Expenses, Net of Depreciation and Interest	Net Revenue Available for Debt Service
1996	\$1,462,266	\$1,310,638	\$151,628
1997	1,685,552	1,312,044	373,508
1998	1,805,763	1,686,964	118,799
1999	1,597,962	1,078,597	519,365
2000	1,899,048	1,633,241	265,807
2001	1,956,682	1,375,419	581,263
2002	2,262,928	1,829,783	433,145
2003	1,737,106	1,626,027	111,079
2004	1,942,637	1,868,520	74,117
2005	2,040,557	2,846,895	(806,338)

(1) Includes investment income and other non-operating revenues.

Source: Muskingum County Auditor's Office

Debt Service Requirements		Total	Coverage
Principal	Interest		
\$39,100	\$179,601	\$218,701	0.69
34,900	177,840	212,740	1.76
36,800	175,918	212,718	0.56
24,900	94,780	119,680	4.34
26,000	93,525	119,525	2.22
27,300	92,215	119,515	4.86
28,700	64,767	93,467	4.63
38,100	107,903	146,003	0.76
10,800	27,025	37,825	1.96
10,900	26,250	37,150	-21.70

Table 14**Muskingum County, Ohio****Assessed Real Property Values, New Construction and Bank Deposits****Last Ten Years**

Year (4)	New Construction			Bank Deposits (1)
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	
1996	\$9,745,870	\$8,930,640	\$18,676,510	\$341,890,000
1997	11,535,470	8,463,060	19,998,530	660,855,000
1998	13,558,720	5,102,680	18,661,400	1,106,444,000
1999	12,549,140	7,740,930	20,290,070	1,135,931,000
2000	16,840,150	11,807,540	28,647,690	1,475,951,000
2001	15,501,310	9,352,150	24,853,460	1,508,212,000
2002	13,770,890	5,476,560	19,247,450	402,085,000
2003	17,242,490	5,097,470	22,339,960	421,153,000
2004	17,984,080	7,123,010	25,107,090	641,880,000
2005	21,990,050	7,476,090	29,466,140	588,358,000

- (1) Through 1996, bank deposit information available includes banks headquartered in Muskingum County, which is only 1st National Bank. Beginning in 1997, bank deposit information includes 1st National and Century National Bank, which are both headquartered in Muskingum County.
- (2) Amount includes mineral lands and rights.
- (3) Public utility values include railroads only. New legislation effective for 1983 Tax Year required all real property belonging to a utility to be classified according to use (Agricultural, Mineral, Commercial, etc.) with the exception of railroads.
- (4) Table reflects tax year not collection year.
- (5) Reductions in bank deposits are due to First National Bank, merging under Unizan, headquartered in Canton, Ohio.

Source: Muskingum County Auditor
Federal Reserve Bank

Real Property Value (4)

Agricultural/ Residential	Commercial/ Industrial (2)	Public Utility (3)	Total Taxable	Tax Exempt
\$486,913,570	\$157,905,220	\$686,870	\$645,505,660	\$122,245,310
581,059,110	176,185,810	754,520	757,999,440	126,935,340
593,971,220	175,665,350	742,510	770,379,080	136,312,270
606,434,560	183,566,630	659,030	790,660,220	143,087,490
791,604,750	216,144,440	539,370	1,008,288,560	169,684,020
806,605,230	220,293,140	653,110	1,027,551,480	187,312,620
822,412,390	225,901,470	646,810	1,048,960,670	200,554,990
889,187,820	247,142,500	660,850	1,136,991,170	221,614,930
907,209,640	256,141,210	670,330	1,164,021,180	229,839,640
931,356,480	264,714,230	657,590	1,196,728,300	236,346,490

Table 15**Muskingum County, Ohio****Ten Largest Employers**

Employer	Nature of Business	Number of Employees
Genesis Health Care	Hospital - Health Services	3,287
Longaberger Incorporated	Hand-woven baskets and wood products	3,000
The County	Government (1)	1,125
Zandex Incorporated	Health Services	1,100
Dollar General Corporations	Distributions Center	851
Auto Zone Incorporated	Automobile Retail Distribution Center	600
Lear Corporation	Manufacturer Automotive Switches	600
City of Zanesville	Government	395
Muskingum College	Education	370
Owens-Illinois	Manufacturer of Glass Containers	360

(1) Includes permanent part-time

Source: Individual Employers and Zanesville-Muskingum Area Chamber of Commerce

Table 16

Muskingum County, Ohio

Principal Property Taxpayers

December 31, 2005

	Assessed Valuation	% of Total Assessed Valuation
Public Utilities		
Ohio Power Company	\$41,786,710	3.09%
Ohio Bell Telephone Company	7,563,230	0.56%
Texas Eastern Trans Lp	4,771,940	0.35%
Guernsey-Muskingum Electric	4,720,120	0.35%
NGO Transmission, Inc.	4,268,160	0.32%
Real Property		
Longaberger Company	16,524,620	1.22%
Colony Square Partners	6,395,410	0.47%
DGC Properties, LLC	3,282,240	0.24%
Wal-Mart Real Estate	3,167,540	0.23%
Beam J. Robert Trustee	3,113,450	0.23%
Zanesville Country Fair	2,596,620	0.19%
BV Zanesville LLC	2,396,670	0.18%
Zandex, Inc.	2,033,520	0.15%
2000 Maysville Pike Ltd.	1,827,880	0.14%
MV/ALG Sandhurst LTD.	1,784,720	0.13%
Tangible Personal Property		
Longaberger Company	18,932,900	1.40%
AK Steel Corporation	11,062,420	0.82%
Owen's Illinois Corporation	6,057,260	0.45%
Lear Operations Corporation	5,464,700	0.40%
Dolgencorp, Inc.	3,415,300	0.25%
Sidwell Materials, Inc.	3,301,430	0.24%
Shelly and Sands, Inc.	3,265,180	0.24%
Twfanch One Company	3,174,050	0.23%
Walmart Stores East LP	2,869,850	0.21%
Burnham Foundry	2,660,640	0.20%
Total Assessed Value	\$166,436,560	12.29%

Source: Muskingum County Auditor

Table 17

Muskingum County, Ohio

Demographic Statistics
December 31, 2005

(1) Population		(1) Age Distribution 2000 Census		
Year	County	Age	Number	Percentage
1940	69,795	Under 5 years	5,637	6.67%
1950	74,535	5-14 years	12,409	14.67%
1960	79,159	15-19 years	6,517	7.70%
1970	77,826	20-24 years	5,350	6.32%
1980	83,340	25-44 years	23,430	27.70%
1990	82,068	45-54 years	11,261	13.31%
2000	84,585	55-59 years	4,217	4.99%
		60-64 years	3,672	4.34%
		65-74 years	6,360	7.52%
		75-84 years	4,196	4.96%
		85 years and older	1,536	1.82%
		Totals	84,585	100.00%

(1) Population for the Last Ten Years		(2) Annual Average Unemployment Rates			
Year	County	Year	County	State	U.S.
1996	84,169	1996	7.7%	4.8%	5.4%
1997	84,169	1997	7.4%	4.5%	5.4%
1998	84,169	1998	6.4%	4.2%	4.5%
1999	84,169	1999	6.7%	4.3%	4.2%
2000	84,585	2000	5.9%	4.1%	4.0%
2001	84,585	2001	5.9%	4.3%	4.8%
2002	84,585	2002	6.4%	5.7%	5.8%
2003	84,585	2003	7.4%	6.1%	6.0%
2004	84,585	2004	8.2%	6.1%	5.5%
2005	84,585	2005	8.3%	5.9%	5.1%

(continued)

Sources: (1) Census Bureau and Muskingum County Ohio Director
(2) Ohio Bureau of Employment Services

Table 17

Muskingum County, Ohio

Demographic Statistics
December 31, 2005
(Continued)

(1) Civilian Labor Force Estimates				
Year	Labor Force	Employment	Unemployment	Percentage of Unemployment
1996	43,700	40,200	3,500	7.99%
1997	42,400	39,500	2,900	6.83%
1998	43,000	40,000	3,000	6.97%
1999	44,300	41,400	2,900	6.54%
2000	45,200	42,600	2,600	5.80%
2001	45,700	43,000	2,700	5.90%
2002	44,200	41,400	2,800	6.40%
2003	44,800	41,500	3,300	7.40%
2004	41,400	38,000	3,400	8.20%
2005	40,100	36,800	3,300	8.30%

(2) Public Schools in Muskingum County 2005		K-12 School Enrollment	
Total Enrollment	15,914	1996	16,508
The Daily Attendance Rate	94.9%	1997	16,709
Graduation Rate	91.5%	1998	16,697
		1999	17,230
		2000	16,194
		2001	15,529
		2002	15,601
		2003	15,635
		2004	15,682
		2005	15,914

(3) Per Capita Income (Current Dollars)		
2004	2002	Change
\$25,883	\$24,540	5.47%

- Sources:
- (1) Ohio Bureau of Employment Services.
 - (2) State Board of Education, Muskingum County Board of Education and individual School Districts
 - (3) Zanesville-Muskingum County Chamber of Commerce

Table 18**Muskingum County, Ohio****Miscellaneous Statistics****December 31, 2005**

Date of Incorporation	1804
County Seat	Zanesville, Ohio
Area	653 Square Miles
Altitude	725 Feet Above Sea Level
Climate	Mean Annual Temperature - 45 degrees Average Rainfall - 34 inches
County Roads	518 Miles
Township roads	687 Miles
State Routes	240 Miles
Major Highways	I-70 East and West; US Routes 40 and 22; State Routes 60,83,93,146,208,586 and 666
Villages and Cities	11
Townships	25
School Districts	7
Public Library	Muskingum County Library System - 396,551 Volumes
Radio Stations	1 AM and 4 FM stations
Television Stations	1
Daily Newspaper	1 - Circulation 20,700
Muskingum Area Technical College	Undergraduate Enrollment: 2,000
Ohio University of Zanesville	Undergraduate Enrollment: 1,350
Muskingum College	Undergraduate Enrollment: 1,584

(continued)

Table 18

Muskingum County, Ohio

**Miscellaneous Statistics
December 31, 2005
(Continued)**

Transportation	
Truck Lines	13 Terminals - 44 Motor Freight Companies
Air Freight Services	Federal Express
Bus Service	Greyhound, Muskingum Coach, Muskingum Authority of Public Transit
Nearest Water Port	Cleveland, Lake Erie
Local Airport	Zanesville Municipal Airport Runway Length - 5,005 feet
Railroads	CSX, Ohio Southern, Ohio Central, Columbus & Ohio River
Parcel Service	UPS, Purolator Courier, Airbourne Express Federal Express, Roadway Package System
Health Care	
Hospitals	2
Number of Beds	398 (staffed) 725 (licensed)
Physicians and Dentists	155 (Approximate)
Lodging (Hotels and Motels)	
Days Inn	60 rooms
Holiday Inn of Zanesville	130 rooms
Thriftlodge	54 rooms
Best Western Town House	58 rooms
Comfort Inn	93 rooms
Super 8 Motel	62 rooms
Fairfield Inn	63 rooms
Bakers Motel	53 rooms
Amerihost Inn	60 rooms
Hampton Inn	64 rooms
Red Roof Inn	78 rooms
Voter Statistics	
Total Number of Registered Voters	50,274
Voters in November 2005 Election	21,519
Percentage of Registered Voters Voting	42.80%

(continued)

Table 18

Muskingum County, Ohio

**Miscellaneous Statistics
December 31, 2005
(Continued)**

Recreation	
Auditorium (Public)	Secrest Auditorium - 1800 Seats
Cinema	Colony Square Cinema - 10 Screens
Golf Courses	9 Public and 1 Private Eagle Sticks (Public) - 18 Holes Fullers Fairways (Public) - 18 Holes Green Valley Golf Club (Public) - 18 Holes Jaycee Public Golf Course (Public) - 18 Holes Vista View Golf Course (Public) - 18 Holes Wildfire Golf Club (Public) - 18 Holes Zanesville Country Club (Private) - 18 Holes Creekside Golf Course (Public) - 9 Holes Crystal Springs (Public) - 18 Holes Norwich Valley Golf Course (Public) - 9 Holes
Bowling Alleys	Maysville Bowling Center - 24 Lanes Sunrise Bowl - 32 Lanes
Skating Rink	Lind Arena The Field House
State Parks	Dillon State Park Blue Rock State Park Muskingum River Parkway Powelson Wildlife Area
City Parks	Zanes Landing Park Riverside Park Pioneer Hill Park Putnam Hill Park
Tourist Attractions	
National Road/Zane Grey Museum	S-Bridge/National Road
Ohio Ceramic Center	Zane Grey's Home
Dr. Increase Mathews House	Stone Academy
Lorena Sternwheeler	International Center for the Preservation of Wild Animals
Zanesville Art Center	Leslie Cope Gallery, Roseville
Y-Bridge	Putnam Historic Tour
Salt Creek Covered Bridge	McIntire Terrace Walking Tour
Longaberger Basket Tours	Colony Square Mall
Zanesville Pottery & Christmas House	John Glenn Museum
Ohio Pottery East	Alan Cottrill Sculpture Studio and Gallery
Ohio Pottery West	
Schultz Mansion	

Sources: (1) Muskingum County Board of Elections, (2) Muskingum County Highway Department
(3) Muskingum County Library Systems, (4) Muskingum County Ohio Rural Directory

Muskingum County Offices
Zanesville, Ohio 43701 – (740) 455-7109