

Jefferson County, Ohio

Comprehensive Annual Financial Report

For the Year Ended December 31, 2002

Prepared by the Jefferson County Auditor's Office:

Patrick J. Marshall
Jefferson County Auditor

Jefferson County, Ohio

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Introductory Section

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July 18, 2003

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

As Auditor of Jefferson County, it gives me great pleasure to present the County's Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2002. This report has been carefully prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides a full and complete disclosure of the financial position and operations of the County. In addition, this report includes the early implementation of the new reporting model as promulgated by GASB Statement No. 34. Note 3 to the basic financial statements provides additional information concerning this implementation.

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

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

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

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes a table of contents, this transmittal letter, the 2001 Certificate of Achievement for Excellence in Financial Reporting, a list of elected officials, and the County's organizational chart. The financial section includes the Report of Independent Accountants, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, and the Combining Statements for non-major funds and other schedules that provide detailed information relative to the Basic Financial Statements. The statistical section includes financial and demographic information which is generally presented on a multi-year basis.

REPORTING ENTITY

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

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

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

The County participates in the Jefferson County Regional Planning Commission which is a joint venture. The Jefferson County Cluster, the East Ohio Correctional Facility, the Brooke-Hancock-Jefferson Metropolitan Planning Commission (BHJ), the Southeast Ohio Juvenile Rehabilitation District (SOJRD), the Area Office of Aging, the Ohio Mid-Eastern Governments Association (OMEGA), the Jefferson-Belmont Joint Solid Waste Authority, the Jefferson County Family and Child First Council, the Mid-Eastern regional Council of Governments (MEORC), and the Belmont-Jefferson Workforce Policy Board are jointly governed organizations. The Jefferson Metropolitan Housing Authority and the Jefferson Community College are related organizations. The County participates in the County Risk Sharing Authority which is a public entity risk sharing pool.

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

THE COUNTY AND THE FORM OF GOVERNMENT

The County

Created in 1797, Jefferson County is located in east central Ohio along the west bank of the Ohio River. Its 410 square mile area is bordered on the north by Columbiana County, on the south by Belmont County, on the west by Carroll and Harrison Counties, and on the east by the State of West Virginia. The County encompasses 14 townships and 19 cities and villages, the largest of which is the City of Steubenville, the County Seat. The County's 2002 population of 72,402 placed it as the thirty-fifth most populous of the State's 88 Counties. The County is in the Steubenville-Weirton, Ohio-West Virginia Metropolitan Statistical Area (MSA), which is comprised of the County and Brooke and Hancock Counties of West Virginia. The Steubenville-Weirton, Ohio-West Virginia Metropolitan Statistical Area (MSA) is the 199th largest of the 261 combined consolidated metropolitan statistical areas and metropolitan statistical areas in the United States.

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

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

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

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

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

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

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

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

Form of Government

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

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

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

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

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

However, positive signs of economic activity and growth continue to emerge. Business and government leaders have worked together to fund Progress Alliance, a county-wide economic development office. In its short existence, the office has helped attract over \$35 million in Federal and State grants, loans, state tax credits, and business tax credits.

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

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

A 93 acre campus style industrial park, located just off of the U.S. Route 22 bypass, is a key component in the County's economic development strategy. Construction was completed in the spring of 2000 on \$2 million in infrastructure improvements to serve the industrial park. The County-owned park is located just over 1 mile from the four-lane U.S. Route 22, and is part of an area which, overall, has more than 1,000 acres available for development. The location has excellent highway access and is near a skilled, plentiful workforce. A 35,300 square foot shell building at the park, as well as additional sites, are currently available for sale or lease.

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

At the same time, the County began to develop the County airport by enlarging the facility, lengthening the runway, constructing new hangars, and constructing a building for the beginning of a small manufacturing complex. This \$2.75 million upgrade was completed in 1996. A plan is currently in place to provide for further expansion over the next several years. A new \$4 million upgrade to lengthen the runway to 5,000 feet was sparked by the County Commissioner's 1998 purchase of 165 acres of land to be utilized for future airport expansion. This plan calls for further lengthening of the runway to allow larger sized private jets to land at the Airport. The first phase of this plan, which consisted of safety improvements, was completed in late 2000. The second phase of this plan, which consisted of an obstruction removal, was completed in 2001. The third phase of the plan, which consisted of a road relocation, was completed in late 2002. Funding has already been secured to continue with this runway extension project. It is anticipated that the final phase of this project will be completed by mid to late 2004.

A \$200 million capital investment in the Cardinal Power Plant, located in the Wells Township portion of the County, was announced in August 2001, and is now underway. The facility upgrades will reduce nitrogen oxide emissions by 90%. The project is expected to be completed by the end of 2003.

Timet, a titanium metals processor located in Toronto, continues to make capital investments in new machinery and equipment. Since 1995, the company has invested over \$50 million in modernization and expansions, and has more than doubled its workforce to over 600 employees in the last few years. A portion of the parent company's operations relocated from Tennessee in 1998. More growth was experienced with the opening of a new forged press in June 1999.

The Fort Steuben Mall, celebrating 25 years in the area, announced plans in July 1998 for a \$35 million modernization project. The key components of this modernization project were the construction of new anchor stores for Sears, JC Penney, and Wal Mart. Construction on each of these new anchor stores has been completed, and each store is up and running.

The \$3.5 million Tony Teramana Cancer Center, located in Steubenville, opened in the spring of 2000. This state-of-the-art cancer treatment facility is part of the Trinity Health Systems' services in eastern Ohio. Trinity Health Systems also opened a new office in Toronto. This new office offers expanded services to residents in the northern portion of the County.

In addition, Trinity is currently in the process of a three phase project to construct a new cardiac center at its West Campus. Phase one of this project was completed in September 2001. Once the entire project is completed, the new cardiac facility will provide facilities for the completion of cardiac procedures previously unavailable in the local area.

MAJOR INITIATIVES

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

Industrial Park

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

Airport

The County recently completed an airport expansion project. The scope of this \$2.75 million project was targeted at development of the County airport by enlarging the facility, lengthening the runway, constructing new hangars, and constructing a building for the beginning of a small manufacturing complex. This \$2.75 million upgrade was completed in 1996. A plan is currently in place to provide for further expansion over the next several years. A new \$4 million upgrade to lengthen the runway to 5,000 feet was sparked by the County Commissioner's 1998 purchase of 165 acres of land to be utilized for future airport expansion. This plan calls for further lengthening of the runway to allow larger sized private jets to land at the Airport. The first phase of this plan, which consisted of safety improvements, was completed in late 2000. The second phase of this plan, which consisted of an obstruction removal, was completed in 2001. The third phase of the plan, which consisted of a road relocation, was completed in late 2002. Funding has already been secured to continue with this runway extension project. It is anticipated that the final phase of this project will be completed by mid to late 2004.

Road and Bridge Improvement

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

Geographic Information System

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

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

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

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

Water and Sewer

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

FINANCIAL INFORMATION

Basis of Accounting

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

Internal Control Structure

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

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

Budgetary Controls

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

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

CASH MANAGEMENT

The County pools all idle cash to achieve maximum investment efficiency and to enhance accountability. The County Treasurer, as custodian of all County monies, is responsible for all County investments. An investment policy is established by the Investment Advisory Board which is comprised of the County Treasurer, the Chair of the County Commissioners, and one other Commissioner chosen by the Chair. Ohio law requires the Board to meet every six months. The County treasurer deposits money in the bank each day in interest bearing checking accounts. A cash surplus is calculated daily, and excesses are invested in order to achieve the highest yields in the safest instruments possible. During the year ended December 31, 2002, the County's resources were divided among United States Treasury Bills, Treasury Notes, money market mutual funds, and certificates of deposit. Interest earned by the primary government in 2002 was \$410,725 for governmental activities and \$15,125 for business-type activities. The average daily balance in 2002 was \$19,068,829, with an average daily yield of 2.23%. A further assessment of the County's finances for 2002 can be found in the Management Discussion and Analysis following the report of the Independent Public Accountant.

RISK MANAGEMENT

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

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

The County operates and manages a self-funded program for health care benefits for County employees and their dependents. The County maintains a hospitalization internal service fund to account for and finance its uninsured risks of loss in this program. The County purchases stop-loss coverage of \$200,000 per individual with an annual aggregate amount of \$10,306,530. Control of the plan rests with the County.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jefferson County for its comprehensive annual financial report for the fiscal year ended December 31, 2001. This was the fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

INDEPENDENT AUDIT

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of December 31, 2002, by our independent auditor, Charles E. Harris & Associates. Their audit was conducted in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. In addition, the audit was designed to meet the requirements of the Federal Single Audit Act of 1984, as amended in 1996, and related OMB Circular A-133.

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

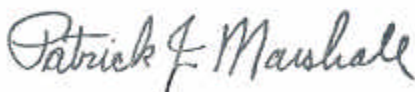
ACKNOWLEDGMENTS

The publication of this CAFR, which includes the implementation of the new reporting model as promulgated by GASB Statement No. 34, represents an important achievement in the ability of Jefferson County to provide significantly enhanced financial information and accountability to the citizens of Jefferson County, its elected officials, County management, and investors. This report continues the aggressive program of the County Auditor's office to improve the County's overall financial accounting, management, and reporting capabilities.

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

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

Sincerely,



Patrick J. Marshall
Jefferson County Auditor

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Jefferson County, Ohio

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2001

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.



President

Executive Director

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

Elected Officials

Patrick J. Marshall, Auditor

Adam Scurti, Commissioner
Bernardus Batenburg, Commissioner
Richard Delatore, Commissioner

Raymond A. Agresta, Treasurer

John A. Corrigan, Clerk of Courts

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

James F. Branagan, Engineer

Bryan H. Felmet, Prosecutor

Paul R. McKeegan, Recorder

Fred J. Abdalla, Sheriff

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

Appointed Officials

Nicholas S. Balakos, Director
Department of Human Services

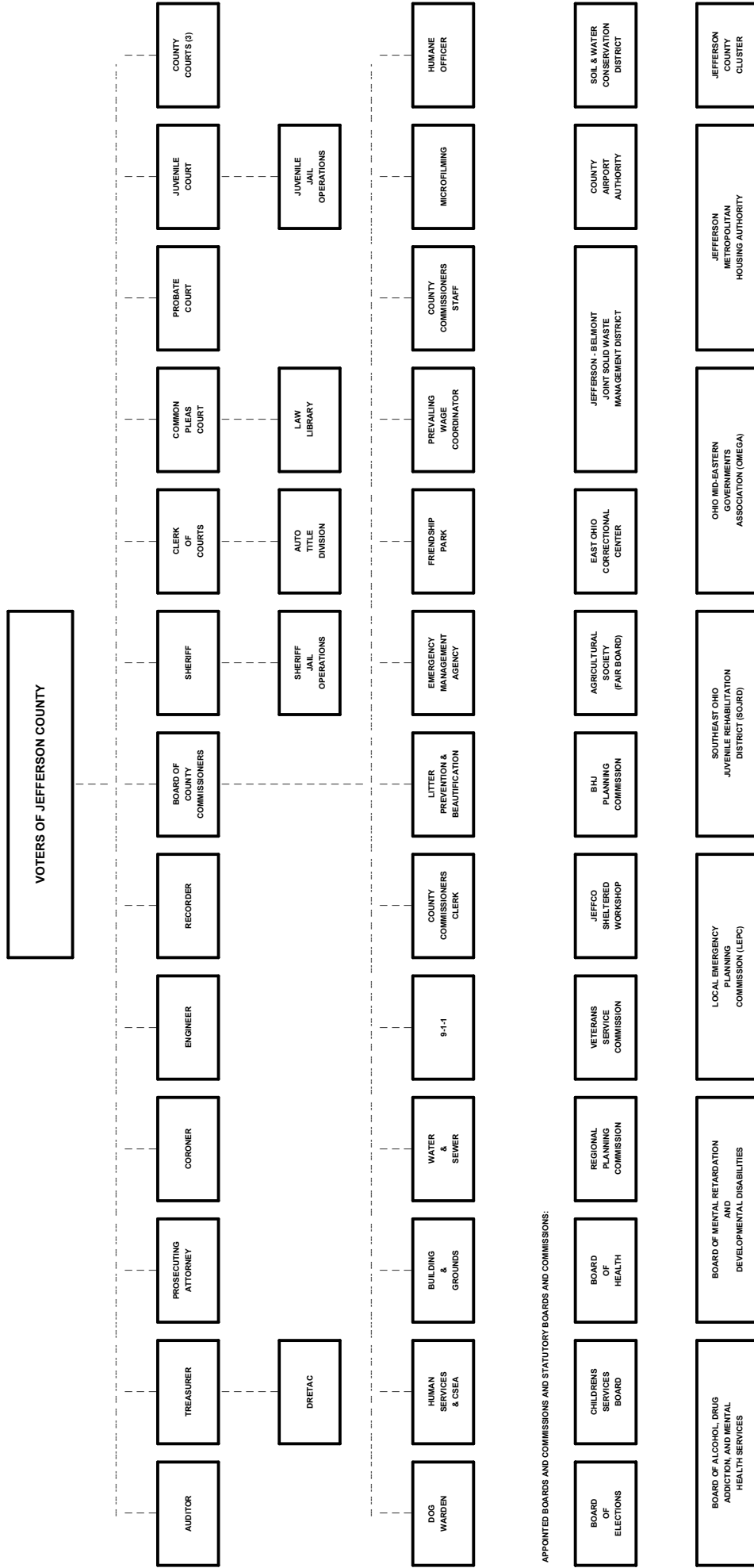
Richard P. Pfannenschmidt, Superintendent
Board of Mental Retardation/Developmental Disabilities

Pamela M. Petrilla, Director
Board of Alcohol, Drug Addiction, and Mental Health Services

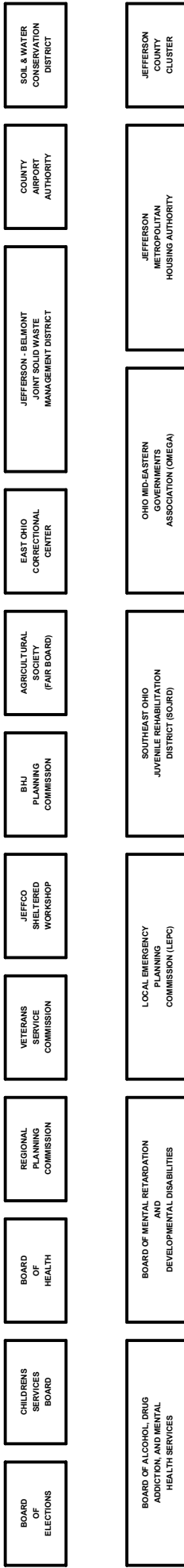
Cynthia L. King, Director
Children Services

John T. Gilmore, Director
Sanitary Engineering

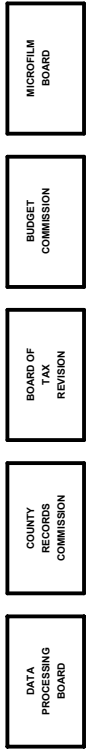
JEFFERSON COUNTY GOVERNMENT ORGANIZATIONAL CHART



APPOINTED BOARDS AND COMMISSIONS AND STATUTORY BOARDS AND COMMISSIONS:



BOARDS AND COMMISSIONS COMPOSED OF ELECTED OFFICIALS:



Financial Section

REPORT OF INDEPENDENT ACCOUNTANTS

The Board of County Commissioners
Jefferson County
Steubenville, Ohio

We have audited the accompanying basic financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Jefferson County, Ohio (the County), as of and for the year ended December 31, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the discretely presented unit, is based on the report of the other auditors.

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

In our opinion, based on our report and the report of other auditors, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the County as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General, Public Assistance, Motor Vehicle Gas Tax, Mental Health, Board of Mental Retardation, Jail Operating Levy and Jail Construction Funds for the year ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3 to the basic financial statements, during 2002, the County adopted Governmental Accounting and Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus," GASB Statement No. 38, "Certain Financial Statement Note Disclosures," and GASB Interpretation No.6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements.

Management's Discussion and Analysis on pages 3 through 12 is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated July 18, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We conducted our audit to form opinions on the basic 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 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.

Charles E. Harris + Associates, Inc.

Charles E. Harris & Associates, Inc.
July 18, 2003

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

The discussion and analysis of Jefferson County's financial performance provides an overview of the County's financial activities for the year ended December 31, 2002. The intent of this discussion and analysis is to look at the County's financial performance as a whole. Readers should also review the transmittal letter and the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for 2002 are as follows:

- In total, net assets remained virtually unchanged.
- At the end of the current year, the County reported deficit unrestricted net assets for governmental activities of \$3,707 thousand. This is the direct result of a deficit unrestricted net assets in the Self Insurance Fund. In order to alleviate this deficit, the County Commissioners have increased monthly premium charges and have made changes to the plan guidelines.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$8,025 thousand, a decrease of \$884 thousand from the prior year. Of this amount, \$7,481 thousand is available for spending (unreserved undesignated fund balance) on behalf of its citizens.
- The deficit continues to increase in the Jail Operating Levy Fund due to increased operational costs associated with the detention center.

Using This Annual Financial Report

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

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

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

County-Wide Financial Statements

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

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Statement of Net Assets

While this document contains information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2002?" The Statement of Net Assets and the Statement of Activities answers this question.

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

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

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

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

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

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

Fund Financial Statements

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

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

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

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

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

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

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

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

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

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Government-Wide Financial Analysis

Table 1 provides a summary of the County's net assets for 2002 compared to 2001:

Table 1
Net Assets
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Assets:						
Current and Other Assets	\$ 31,943	\$ 33,323	\$ 3,414	\$ 4,255	\$ 35,357	\$ 37,578
Capital Assets, Net	<u>93,246</u>	<u>92,683</u>	<u>35,527</u>	<u>36,385</u>	<u>128,773</u>	<u>129,068</u>
Total Assets	<u>125,189</u>	<u>126,006</u>	<u>38,941</u>	<u>40,640</u>	<u>164,130</u>	<u>166,646</u>
Liabilities:						
Current and Other						
Liabilities	19,493	18,558	5,296	6,849	24,789	25,407
Long-Term Liabilities	<u>32,357</u>	<u>33,741</u>	<u>6,754</u>	<u>6,701</u>	<u>39,111</u>	<u>40,442</u>
Total Liabilities	<u>51,850</u>	<u>52,299</u>	<u>12,050</u>	<u>13,550</u>	<u>63,900</u>	<u>65,849</u>
Net Assets:						
Invested in Capital						
Assets, Net of						
Related Debt	61,368	59,229	23,818	23,121	85,186	82,350
Restricted	15,678	15,350	672	689	16,350	16,039
Unrestricted	<u>(3,707)</u>	<u>(872)</u>	<u>2,401</u>	<u>3,280</u>	<u>(1,306)</u>	<u>2,408</u>
Total Net Assets	<u>\$ 73,339</u>	<u>\$ 73,707</u>	<u>\$ 26,891</u>	<u>\$ 27,090</u>	<u>\$100,230</u>	<u>\$ 100,797</u>

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$100,230 thousand (\$73,339 thousand in governmental activities and \$26,891 thousand in business-type activities) as of December 31, 2002. By far, the largest portion of the County's net assets (85 percent) reflects its investment in capital assets (e.g., land and improvements, buildings and building improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure), less any related debt, used to acquire those assets, that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's net assets, \$16,350 thousand or 16 percent, represents resources that are subject to restrictions on how they can be used. The remaining balance of unrestricted assets, (\$1,306) thousand or negative 1 percent are to be used to meet the County's ongoing obligations to citizens and creditors. This deficit in total unrestricted net assets is the direct result of a deficit unrestricted net assets in the Self Insurance Fund. In order to alleviate this deficit, the County Commissioners have increased monthly premium charges and have made changes to the plan guidelines.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Table 2 shows the changes in net assets for 2002. Since this is the first year that the County has prepared financial statements following GASB Statement No. 34, revenue and expense comparisons to 2001 are not available. In future years, when prior year information is available, a comparative analysis of government-wide data will be presented.

Table 2
Changes in Net Assets
(In Thousands)

	Governmental Activities 2002	Business-Type Activities 2002	Total 2002
Revenues			
Program Revenues			
Charges for Services	\$ 7,581	\$ 4,719	\$ 12,300
Operating Grants and Contributions	33,902	0	33,902
Capital Grants and Contributions	89	23	112
Total Program Revenues	<u>41,572</u>	<u>4,742</u>	<u>46,314</u>
General Revenues			
Property Taxes	11,178	0	11,178
Permissive Taxes	8,374	211	8,585
Intergovernmental	3,595	0	3,595
Interest	411	15	426
Miscellaneous	604	3	607
Total General Revenues	<u>24,162</u>	<u>229</u>	<u>24,391</u>
Total Revenues	65,734	4,971	70,705
Transfers	(15)	15	0
Total Revenues and Transfers	<u>65,719</u>	<u>4,986</u>	<u>70,705</u>
Program Expenses			
General Government			
Legislative and Executive	6,278	0	6,278
Judicial	3,901	0	3,901
Public Safety	10,248	0	10,248
Public Works	5,898	0	5,898
Health	16,220	0	16,220
Human Services	19,950	0	19,950
Economic Development and Assistance	1,203	0	1,203
Conservation and Recreation	20	0	20
Other	555	0	555
Intergovernmental	41	0	41
Interest and Fiscal Charges	1,774	0	1,774
Sewer	0	1,262	1,262
Water	0	3,923	3,923
Total Expenses	<u>66,088</u>	<u>5,185</u>	<u>71,273</u>
Increase(Decrease) in Net Assets	<u>\$ (369)</u>	<u>\$ (199)</u>	<u>\$ (568)</u>

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Governmental Activities

Operating grants were the largest program revenues, accounting for \$33,902 thousand or 51.6 percent of total governmental revenues. The major recipients of intergovernmental program revenues were the Job and Family Services (Public Assistance), Motor Vehicle and Gasoline Tax, Prevention and Recovery Board (Mental Health), and Mental Retardation and Developmental Disabilities governmental activities.

Property tax revenues account for \$11,178 thousand or 17.0 percent of total governmental revenues. Another major component of general governmental revenues was permissive sales taxes, which accounted for \$8,374 thousand or 12.7 percent of total revenues.

The County's direct charges to users of governmental services made up \$7,581 thousand or 11.5 percent of total governmental revenues. These charges are for fees for real estate transfers, fees associated with the collection of property taxes, fines and forfeitures related to judicial activity, and licenses and permits.

Human services programs accounted for \$19,950 thousand, or 30.2 percent of total expenses for governmental activities. Other major program expenses for governmental activities include health programs, which accounted for \$16,220 thousand, or 24.5 percent of total expenses, and public safety programs, which accounted for \$10,248 thousand, or 15.5 percent of total expenses.

Business-Type Activities

The net assets for business-type activities decreased by \$199 thousand during 2002. Charges for services were the largest program revenue, accounting for \$4,719 thousand, or 94.9 percent of total business type revenues.

Table 3, for governmental activities, indicates the total cost of services and the net cost of services. The statement of activities reflects the cost of program services and the charges for services, and sales, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues. Comparisons to 2001 have not been made since they are not available.

Table 3
Governmental Activities
(In Thousands)

	Total Cost of Services 2002	Net Cost of Services 2002
General Government		
Legislative/Executive	\$ 6,278	\$ 4,270
Judicial	3,901	3,077
Public Safety	10,248	6,525
Public Works	5,898	123
Health	16,220	5,023
Human Services	19,950	2,687
Economic Development	1,203	771
Conservation and Recreation	20	20
Other	555	554
Intergovernmental	41	41
Interest and Fiscal Charges	1,774	1,425
Total Expenses	\$ 66,088	\$ 24,516

Jefferson County, Ohio
Management's Discussion and Analysis
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Charges for services, operating grants, and capital grants of \$41,572 thousand, or 62.9 percent of the total costs of services, are received and used to fund the general government expenses of the County. The remaining \$24,588 thousand in general government expenses is funded by property taxes, permissive sales taxes, intergovernmental revenues, interest, and miscellaneous revenues.

The \$2,687 thousand in net cost of services for Human Services demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved a property tax levy for the Childrens Services Board program.

The \$5,023 thousand in net cost of services for Health demonstrates the costs of services that are not supported from state and federal resources. As such, the taxpayers have approved property tax levies for several programs including the Prevention and Recovery Board (Mental Health) and Mental Retardation and Developmental Disabilities.

For Public Safety, the \$6,525 thousand in net costs of services indicates the general fund, permissive sales tax, and property tax levy support provided for the operation of the Sheriff's Department and the Detention Center. Management is concerned with the fact that there are insufficient program revenues to operate the Sheriff's Department and the Detention Center. To help reduce the tax burden and increase program revenues, the County is actively pursuing contracts for the housing of prisoners from other entities outside the County.

Financial Analysis of County Funds

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

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, 2002, the County's governmental funds reported a combined ending fund balance of \$8,025 thousand, a decrease of \$884 thousand in comparison with the prior year. Approximately \$7,481 thousand, or 93.2 percent of this total, constitutes unreserved undesignated fund balance, which is available for spending at the County's discretion. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior year (\$544 thousand) or a variety of other restricted purposes (\$51 thousand). While the bulk of the governmental fund balances are not reserved in the governmental fund statements, they lead to restricted net assets on the Statement of Net Assets due to expenditure restrictions mandated by the source of the resource, such as the state or federal government.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

The General Fund is the primary operating fund of the County. At the end of 2001, unreserved fund balance was \$2,451 thousand, while total fund balance was \$2,872 thousand. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 19.3 percent to total General Fund expenditures, while total fund balance represents 22.6 percent of that same amount.

The fund balance of the County's General Fund decreased by \$757 thousand during 2002. Two key factors attributed to this decrease. First was the necessity to transfer monies to supplement other funds. Second was an increase in county-paid charges to offset the deficit in the Self Insurance Fund.

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

As of December 31, 2002, net assets for the County's enterprise funds were \$26,891 thousand. Of that total, \$2,399 thousand represents unrestricted net assets that are available for spending at the County's discretion.

As of December 31, 2002, unrestricted net assets in the self-insurance program were (\$7,233) thousand. The Self-Insurance Fund has posted operating deficits for several years. Program revenues (premiums) have been insufficient to cover rising claims activity in the County's self-insured hospitalization program. To attempt to offset the operating deficit, the County Commissioners have implemented an employee-paid monthly premium cost, have increased county-paid monthly premium costs, and have made changes to the plan guidelines to help reduce claim costs.

Budgetary Highlights

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

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

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

Capital Assets and Debt Administration

Capital Assets - The County's capital assets for governmental and business-type activities as of December 31, 2002, were \$128,773 thousand (net of accumulated depreciation). This includes land and improvements, buildings and improvements, improvements other than buildings, machinery and equipment, vehicles, and infrastructure.

For governmental activities, significant capital asset additions during 2002 included the replacement of 4 bridges at a cost of \$524 thousand, expenses of \$2,227 thousand for 47.5 miles of road resurfacing, and the completion of a \$1,444 thousand mobile data system for the County's 911 system.

For business-type activities, major capital asset additions during 2002 included the completion of various waterline extension projects and various sanitary sewer projects.

Note 10 (Capital Assets) provides capital asset activity during 2002.

Long Term Debt - As of December 31, 2002, the County had total general obligation bonded debt outstanding principal of \$25,527,219. All of this debt is expected to be repaid through governmental activities. The County's long term general obligation bonded debt decreased by \$1,560,000 (5.8 percent) during 2002. Other outstanding long-term debt included revenue bonds of \$201,000, O.W.D.A. loans of \$5,634,732, O.P.W.C. loans of \$922,759, loans payable of \$1,348,229, and a tax refund payable of \$132,195.

Moody's Investors Services, Inc. has assigned an underlying rating of "Baa3" to the outstanding general obligation debt of the County. However, a AAA credit rating was listed on the bonds since the County purchased insurance from Radian Asset Assurance, Inc. (formerly Asset Guaranty Insurance Company) guaranteeing bond payments.

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

On June 6, 2002, various purpose bond anticipation notes were issued in the amount of \$400,000. These notes were issued for sanitary sewer projects. On November 13, 2002, these notes were retired.

On November 13, 2002, various purpose bond anticipation notes were issued in the amount of \$9,300,000. These notes were issued for water and sanitary sewer projects, and for construction cost overruns at the detention center. Note 18 provides information regarding bond anticipation notes.

Economic Factors

The unemployment rate for the County is currently 6.7 percent, which is a slight increase from 6.6 percent a year ago. This rate exceeds the state's current rate of 6.5 percent and the current national rate of 6.2 percent. The increase demonstrates the impact from the national recession.

Jefferson County, Ohio
Management's Discussion and Analysis
For the Year Ended December 31, 2002
Unaudited

The County's \$1.026 billion tax base has declined 9.5 percent over the last three years. This decline is attributed to the State's deregulation of public utility personal property taxes. This decline would have been greater, however it has been offset somewhat by an increase in the County's real estate tax values. Real property values within the County have risen steadily over the past several years, and are now at an all time high.

The County's permissive sales tax revenues have increased steadily over the past five years, despite uncertain economic conditions. It is anticipated that permissive sales tax revenues for 2003 will remain steady. No significant growth or decline is anticipated.

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

The various economic factors were considered in the preparation of the County's 2002 budget, and will be considered in the preparation of future budgets. Appropriate measures will be taken to ensure spending is within available resources.

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

Requests for Information

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

Jefferson County, Ohio
Statement of Net Assets
December 31, 2002

	Primary Government			Component Unit
	Governmental Activities	Business Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$7,705,741	\$1,915,818	\$9,621,559	\$0
Cash and Cash Equivalents in Segregated Accounts	184,819	0	184,819	269,241
Accounts Receivable	1,095,123	768,132	1,863,255	23,788
Permissive Sales Taxes Receivable	1,270,346	32,569	1,302,915	0
Internal Balances	18,091	(18,091)	0	0
Accrued Interest Receivable	52,553	0	52,553	0
Intergovernmental Receivable	9,905,087	0	9,905,087	0
Property Taxes Receivable	10,993,805	0	10,993,805	0
Prepaid Items	178,960	17,685	196,645	0
Materials and Supplies Inventory	270,518	1,507	272,025	634
Special Assessments Receivable	0	353,312	353,312	0
Cash and Cash Equivalents with with Fiscal and Escrow Agents	0	11,137	11,137	0
Investments with Fiscal and Escrow Agents	267,596	332,345	599,941	679,917
Non-Depreciable Capital Assets	6,498,550	1,951,835	8,450,385	40,921
Depreciable Capital Assets, Net	86,747,705	33,575,361	120,323,066	0
<i>Total Assets</i>	<u>125,188,894</u>	<u>38,941,610</u>	<u>164,130,504</u>	<u>1,014,501</u>
Liabilities				
Accounts Payable	\$1,134,341	\$92,502	\$1,226,843	\$2,480
Accrued Wages and Benefits	588,511	18,081	606,592	10,645
Matured Severance Payable	2,866	0	2,866	0
Intergovernmental Payable	2,090,577	141,939	2,232,516	0
Deferred Revenue	8,939,178	0	8,939,178	0
Accrued Interest Payable	160,459	24,310	184,769	0
Notes Payable	4,497,140	5,019,375	9,516,515	0
Claims Payable - Health Benefits	2,080,143	0	2,080,143	0
Long-Term Liabilities:				
Due Within One Year	2,348,514	583,246	2,931,760	0
Due In More Than One Year	30,008,782	6,170,883	36,179,665	0
<i>Total Liabilities</i>	<u>51,850,511</u>	<u>12,050,336</u>	<u>63,900,847</u>	<u>13,125</u>
Net Assets				
Invested in Capital Assets, Net of Related Debt	61,368,427	23,817,606	85,186,033	40,921
Restricted for:				
Capital Projects	81,899	0	81,899	0
Debt Service	2,463,868	626,940	3,090,808	0
Other Purposes	13,130,949	45,312	13,176,261	0
Unrestricted (Deficit)	(3,706,760)	2,401,416	(1,305,344)	960,455
<i>Total Net Assets</i>	<u>\$73,338,383</u>	<u>\$26,891,274</u>	<u>\$100,229,657</u>	<u>\$1,001,376</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Activities
For the Year Ended December 31, 2002

	Program Revenues			
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General Government:				
Legislative and Executive	\$6,277,616	\$1,865,011	\$142,929	\$0
Judicial	3,901,162	711,368	112,560	0
Public Safety	10,248,365	2,520,732	1,202,807	0
Public Works	5,897,922	530,707	5,244,160	0
Health	16,219,730	470,534	10,636,566	89,232
Human Services	19,950,130	987,138	16,276,296	0
Economic Development and Assistance	1,202,975	145,407	286,346	0
Conservation and Recreation	20,367	0	0	0
Other	554,592	285	0	0
Intergovernmental	40,500	0	0	0
Interest and Fiscal Charges	1,774,465	350,136	0	0
<i>Total Governmental Activities</i>	<u>66,087,824</u>	<u>7,581,318</u>	<u>33,901,664</u>	<u>89,232</u>
Business-Type Activities				
Sewer	1,262,027	916,447	0	13,804
Water	3,922,777	3,802,505	0	9,000
<i>Total Business-Type Activities</i>	<u>5,184,804</u>	<u>4,718,952</u>	<u>0</u>	<u>22,804</u>
<i>Total Primary Government</i>	<u>\$71,272,628</u>	<u>\$12,300,270</u>	<u>\$33,901,664</u>	<u>\$112,036</u>
Component Unit:				
JeffCo. Workshop	\$74,671	\$92,175	\$0	\$0

General Revenues

Property Taxes Levied for General Purposes
Property Taxes Levied for:
Mental Health
Court/Corrections and Public Safety
Tuberculosis/Crippled Child Levy
Children Services
Mental Retardation and Developmental Disabilities
Jail Operating Levy
Debt Service
Permissive Sales Taxes Levied for General Purposes
Grants and Entitlements not Restricted to Specific Programs
Investment Earnings
Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets Beginning of Year (See Note 3)

Net Assets End of Year

See accompanying notes to the basic financial statements

Net (Expense) Revenue
and Changes in Net Assets

Governmental Activities	Primary Government		Component Unit
	Business Type Activities	Total	
(\$4,269,676)	\$0	(\$4,269,676)	\$0
(3,077,234)	0	(3,077,234)	0
(6,524,826)	0	(6,524,826)	0
(123,055)	0	(123,055)	0
(5,023,398)	0	(5,023,398)	0
(2,686,696)	0	(2,686,696)	0
(771,222)	0	(771,222)	0
(20,367)	0	(20,367)	0
(554,307)	0	(554,307)	0
(40,500)	0	(40,500)	0
(1,424,329)	0	(1,424,329)	0
<u>(24,515,610)</u>	<u>0</u>	<u>(24,515,610)</u>	<u>0</u>
0	(331,776)	(331,776)	0
<u>0</u>	<u>(111,272)</u>	<u>(111,272)</u>	<u>0</u>
0	(443,048)	(443,048)	0
<u>(24,515,610)</u>	<u>(443,048)</u>	<u>(24,958,658)</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>17,504</u>
2,271,492	0	2,271,492	0
426,103	0	426,103	0
1,150,651	0	1,150,651	0
164,937	0	164,937	0
990,474	0	990,474	0
3,511,633	0	3,511,633	0
1,526,650	0	1,526,650	0
1,135,172	0	1,135,172	0
8,374,157	211,378	8,585,535	0
3,595,466	0	3,595,466	0
410,725	15,125	425,850	38,899
604,142	2,558	606,700	35,837
<u>(15,000)</u>	<u>15,000</u>	<u>0</u>	<u>0</u>
<u>24,146,602</u>	<u>244,061</u>	<u>24,390,663</u>	<u>74,736</u>
(369,008)	(198,987)	(567,995)	92,240
<u>73,707,391</u>	<u>27,090,261</u>	<u>100,797,652</u>	<u>909,136</u>
<u>\$73,338,383</u>	<u>\$26,891,274</u>	<u>\$100,229,657</u>	<u>\$1,001,376</u>

Jefferson County, Ohio
Balance Sheet
Governmental Funds
December 31, 2002

	General	Public Assistance	Motor Vehicle Gasoline Tax	Mental Health	Mental Retardation Developmental Disabilities
Assets					
Equity in Pooled Cash and Cash Equivalents	\$517,722	\$1,164,323	\$620,953	\$60,323	\$173,211
Cash and Cash Equivalents in Segregated Accounts	99,918	0	0	0	0
Investments with Fiscal and Escrow Agents	50,627	0	115,717	0	0
Receivables:					
Property Taxes	2,156,128	0	0	396,818	3,265,273
Permissive Sales Taxes	597,191	0	347,434	0	0
Accounts	131,229	859,844	83,454	9,900	0
Intergovernmental	1,540,036	0	1,665,216	2,404,806	1,569,568
Interfund	1,329,417	129,522	0	1,400,000	1,128,333
Accrued Interest	52,553	0	0	0	0
Materials and Supplies Inventory	52,367	11,290	186,608	682	5,603
Prepaid Items	49,827	14,306	21,655	4,438	21,699
<i>Total Assets</i>	<u>\$6,577,015</u>	<u>\$2,179,285</u>	<u>\$3,041,037</u>	<u>\$4,276,967</u>	<u>\$6,163,687</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$65,145	\$275,757	\$63,919	\$331,482	\$28,144
Accrued Wages and Benefits	102,412	81,557	56,524	6,334	128,793
Matured Severance Payable	2,866	0	0	0	0
Interfund Payable	107,690	262,973	94,565	5,598	110,415
Intergovernmental Payable	151,919	1,014,692	61,773	115,413	190,986
Deferred Revenue	3,275,180	161,033	1,330,755	2,302,845	4,159,964
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>3,705,212</u>	<u>1,796,012</u>	<u>1,607,536</u>	<u>2,761,672</u>	<u>4,618,302</u>
Fund Balances (Deficit)					
Reserved for Encumbrances	63,068	0	78,643	0	0
Reserved for Claimants	307,179	0	0	0	0
Unreserved:					
Designated for Equipment	50,627	0	0	0	0
Undesignated, Reported in:					
General Fund	2,450,929	0	0	0	0
Special Revenue Funds	0	383,273	1,354,858	1,515,295	1,545,385
Debt Service Funds	0	0	0	0	0
Capital Projects Funds	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>2,871,803</u>	<u>383,273</u>	<u>1,433,501</u>	<u>1,515,295</u>	<u>1,545,385</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$6,577,015</u>	<u>\$2,179,285</u>	<u>\$3,041,037</u>	<u>\$4,276,967</u>	<u>\$6,163,687</u>

See accompanying notes to the basic financial statements

Jail Operating Levy	Jail Construction	Other Governmental Funds	Total Governmental Funds
\$47,747	\$21,359	\$5,100,103	\$7,705,741
0	0	84,901	184,819
0	0	101,252	267,596
1,421,397	0	3,754,189	10,993,805
0	0	325,721	1,270,346
0	0	10,696	1,095,123
426,687	0	2,298,774	9,905,087
0	0	3,632,734	7,620,006
0	0	0	52,553
66	0	13,902	270,518
5,686	0	61,349	178,960
<u>\$1,901,583</u>	<u>\$21,359</u>	<u>\$15,383,621</u>	<u>\$39,544,554</u>
\$74,904	\$0	\$294,990	\$1,134,341
71,049	0	141,842	588,511
0	0	0	2,866
2,671,409	0	1,765,831	5,018,481
82,876	0	159,556	1,777,215
1,655,519	0	5,599,644	18,484,940
0	14,612	1,356	15,968
0	4,115,295	381,845	4,497,140
<u>4,555,757</u>	<u>4,129,907</u>	<u>8,345,064</u>	<u>31,519,462</u>
0	0	95,196	236,907
0	0	0	307,179
0	0	0	50,627
0	0	0	2,450,929
(2,654,174)	0	4,542,804	6,687,441
0	0	2,311,876	2,311,876
0	(4,108,548)	88,681	(4,019,867)
<u>(2,654,174)</u>	<u>(4,108,548)</u>	<u>7,038,557</u>	<u>8,025,092</u>
<u>\$1,901,583</u>	<u>\$21,359</u>	<u>\$15,383,621</u>	<u>\$39,544,554</u>

Jefferson County, Ohio
Reconciliation of Total Governmental Fund Balances to
Net Assets of Governmental Activities
December 31, 2002

Total Governmental Fund Balances \$8,025,092

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 93,246,255

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

Taxes	2,300,492
Intergovernmental	7,234,815
Interest	5,396
Charges for Services	5,059

Total 9,545,762

An internal service fund is used by management to charge the costs of insurance and workers' compensation to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets (7,233,466)

Intergovernmental payable includes contractually required pension contributions not expected to be paid with available resources, and therefore, are not reported in the funds (70,061)

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	26,252,252
Compensated Absences	2,135,980
Accrued Interest Payable	144,491
Long-Term Notes Payable	1,047,131
OPWC Loans Payable	68,276
State Infrastructure Bank Loans Payable	301,098
Capital Leases	93,776
Tax Refund	132,195

Total (30,175,199)

Net Assets of Governmental Activities \$73,338,383

See accompanying notes to the basic financial statements

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Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2002

	General	Public Assistance	Motor Vehicle and Gasoline Tax	Mental Health	Mental Retardation and Developmental Disabilities
Revenues					
Property Taxes	\$2,141,619	\$0	\$0	\$391,002	\$3,265,930
Permissive Sales Taxes	3,975,249	0	2,269,914	0	0
Charges for Services	2,226,229	0	0	0	220,270
Licenses and Permits	4,685	0	362,902	0	0
Fines and Forfeitures	263,397	0	17,202	0	0
Intergovernmental	2,393,304	10,536,218	5,093,605	6,374,692	4,967,615
Interest	401,982	0	2,248	0	0
Rent	1,650	0	0	65,550	0
Other	365,560	680,599	61,857	83,774	41,270
<i>Total Revenues</i>	<u>11,773,675</u>	<u>11,216,817</u>	<u>7,807,728</u>	<u>6,915,018</u>	<u>8,495,085</u>
Expenditures					
Current:					
General Government:					
Legislative and Executive	5,074,323	0	0	0	0
Judicial	3,390,391	0	0	0	0
Public Safety	119,497	0	0	0	0
Public Works	0	0	6,965,114	0	0
Health	282,393	0	0	6,402,637	8,379,450
Human Services	877,699	11,067,347	0	0	0
Economic Development and Assistance	0	0	0	0	0
Other	554,592	0	0	0	0
Capital Outlay	0	0	0	0	0
Intergovernmental	40,500	0	0	0	0
Debt Service:					
Principal Retirement	35,626	0	0	3,057	0
Interest and Fiscal Charges	2,866	0	0	353	0
<i>Total Expenditures</i>	<u>10,377,887</u>	<u>11,067,347</u>	<u>6,965,114</u>	<u>6,406,047</u>	<u>8,379,450</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	1,395,788	149,470	842,614	508,971	115,635
Other Financing Sources (Uses):					
Sale of Fixed Assets	180,000	0	0	0	0
Inception of Capital Lease	0	0	0	0	0
Transfers In	0	0	0	0	0
Transfers Out	(2,333,184)	0	(564,017)	0	(100,000)
Total Other Financing Sources (Uses)	<u>(2,153,184)</u>	<u>0</u>	<u>(564,017)</u>	<u>0</u>	<u>(100,000)</u>
<i>Net Change in Fund Balances</i>	(757,396)	149,470	278,597	508,971	15,635
<i>Fund Balances (Deficit) Beginning of Year - Restated (See Note 3)</i>					
	<u>3,629,199</u>	<u>233,803</u>	<u>1,154,904</u>	<u>1,006,324</u>	<u>1,529,750</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$2,871,803</u>	<u>\$383,273</u>	<u>\$1,433,501</u>	<u>\$1,515,295</u>	<u>\$1,545,385</u>

See accompanying notes to the basic financial statements

Jail Operating Levy	Jail Construction	Other Governmental Funds	Total Governmental Funds
\$1,421,348	\$0	\$3,155,740	\$10,375,639
0	0	2,128,994	8,374,157
1,124,704	0	1,502,973	5,074,176
0	0	149,014	516,601
0	0	20,552	301,151
1,011,374	0	7,367,739	37,744,547
0	0	1,099	405,329
0	0	370,751	437,951
0	0	273,374	1,506,434
<u>3,557,426</u>	<u>0</u>	<u>14,970,236</u>	<u>64,735,985</u>
0	0	1,016,984	6,091,307
0	0	134,947	3,525,338
4,575,681	0	4,138,623	8,833,801
0	0	242,897	7,208,011
0	0	308,604	15,373,084
0	0	7,126,175	19,071,221
0	0	1,298,751	1,298,751
0	0	0	554,592
0	176,865	122,233	299,098
0	0	0	40,500
0	0	1,931,383	1,970,066
0	118,712	1,459,877	1,581,808
<u>4,575,681</u>	<u>295,577</u>	<u>17,780,474</u>	<u>65,847,577</u>
(1,018,255)	(295,577)	(2,810,238)	(1,111,592)
0	0	0	180,000
0	0	63,051	63,051
654,611	200,000	2,639,402	3,494,013
0	0	(511,812)	(3,509,013)
<u>654,611</u>	<u>200,000</u>	<u>2,190,641</u>	<u>228,051</u>
(363,644)	(95,577)	(619,597)	(883,541)
<u>(2,290,530)</u>	<u>(4,012,971)</u>	<u>7,658,154</u>	<u>8,908,633</u>
<u>(\$2,654,174)</u>	<u>(\$4,108,548)</u>	<u>\$7,038,557</u>	<u>\$8,025,092</u>

Jefferson County, Ohio
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2002

Net Change in Fund Balances - Governmental Funds (S883,541)

*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 capital outlay exceeded depreciation in the current period

Capital Asset Additions	4,256,398	
Current Year Depreciation	(3,504,749)	
Total		751,649

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 Fixed Assets	(8,430)	
Proceeds from Sale of Fixed Assets	(180,000)	
Total		(188,430)

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

Taxes	801,473	
Intergovernmental	(52,646)	
Interest	5,396	
Charges for Services	5,059	
Total		759,282

Repayments of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities

General Obligation Bonds	1,560,000	
Long-Term Notes Payable	289,810	
OPWC Loans Payable	6,502	
State Infrastructure Bank Loans Payable	43,203	
Capital Leases	70,551	
Total		1,970,066

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities, and the accretion of interest of capital appreciation bonds is reported in the statement of activities:

Accrued Interest	18,640	
Accretion of Interest	(211,297)	
Total		(192,657)

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 (63,051)

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 the funds

Intergovernmental Payable	13,081	
Compensated Absences	357,469	
Tax Refund	(22,032)	
Total		(348,518)

The internal service fund used by management to charge the costs of insurance and workers' compensation to individual funds is not reported in the statement of activities Governmental fund expenditures and the related internal service fund revenues are eliminated. The net expenses of the internal service fund is allocated among governmental activities (2,173,808)

Change in Net Assets of Governmental Activities (S369,008)

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget
				Positive
				(Negative)
<u>Revenues:</u>				
Taxes	\$1,736,877	\$2,102,689	\$2,102,689	\$0
Permissive Sales Taxes	3,964,602	3,964,602	3,964,602	0
Charges for Services	2,277,889	2,366,341	2,366,341	0
Licenses and Permits	4,685	4,685	4,685	0
Fines and Forfeitures	940,347	450,134	450,134	0
Intergovernmental	2,305,158	2,364,070	2,364,070	0
Interest	382,103	382,103	382,103	0
Rent	1,650	1,650	1,650	0
Other	455,770	365,560	365,560	0
Total Revenues	12,069,081	12,001,834	12,001,834	0
<u>Expenditures:</u>				
Current:				
General Government -				
Legislative and Executive	5,585,256	5,707,467	5,186,456	521,011
Judicial	3,447,008	3,383,599	3,344,233	39,366
Public Safety	562,023	116,145	116,107	38
Health	281,993	281,865	281,865	0
Human Services	904,783	916,081	896,831	19,250
Other	438,855	569,679	569,427	252
Intergovernmental	61,000	61,000	53,000	8,000
Total Expenditures	11,280,918	11,035,836	10,447,919	587,917
Excess of Revenues Over Expenditures	788,163	965,998	1,553,915	587,917
<u>Other Financing Sources (Uses):</u>				
Sale of Fixed Assets	180,000	180,000	180,000	0
Advance In	106,929	101,929	101,929	0
Advance Out	0	(181,929)	(181,929)	0
Operating Transfers - Out	(2,423,266)	(2,394,596)	(2,333,184)	61,412
Total Other Financing Sources (Uses)	(2,136,337)	(2,294,596)	(2,233,184)	61,412
Net Change in Fund Balance	(1,348,174)	(1,328,598)	(679,269)	649,329
Fund Balance at Beginning of Year	1,852,420	1,852,420	1,852,420	0
Prior Year Encumbrances Appropriated	156,220	156,220	156,220	0
Fund Balance at End of Year	\$660,466	\$680,042	\$1,329,371	\$649,329

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$8,414,962	\$10,832,041	\$10,832,041	\$0
Other	608,538	551,077	551,077	0
Total Revenues	9,023,500	11,383,118	11,383,118	0
Expenditures:				
Current:				
Human Services	9,023,500	11,682,627	11,222,084	460,543
Net Change in Fund Balance	0	(299,509)	161,034	460,543
Fund Balance at Beginning of Year	1,003,289	1,003,289	1,003,289	0
Fund Balance at End of Year	<u>\$1,003,289</u>	<u>\$703,780</u>	<u>\$1,164,323</u>	<u>\$460,543</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Permissive Sales Taxes	\$2,339,393	\$2,339,393	\$2,339,393	\$0
Licenses and Permits	361,500	362,902	362,902	0
Fines and Forfeitures	59,752	86,920	86,920	0
Intergovernmental	2,481,607	3,317,790	5,096,355	1,778,565
Interest	2,248	2,248	2,248	0
Other	31,500	61,857	61,857	0
Total Revenues	5,276,000	6,171,110	7,949,675	1,778,565
<u>Expenditures:</u>				
Current:				
Public Works	4,866,062	5,407,147	7,077,652	(1,670,505)
Excess of Revenues Over Expenditures	409,938	763,963	872,023	108,060
<u>Other Financing Uses:</u>				
Operating Transfers Out	(564,017)	(564,017)	(564,017)	0
Net Change in Fund Balance	(154,079)	199,946	308,006	108,060
Fund Balance at Beginning of Year	239,949	239,949	239,949	0
Prior Year Encumbrances Appropriated	67,844	67,844	67,844	0
Fund Balance at End of Year	\$153,714	\$507,739	\$615,799	\$108,060

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Health Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Taxes	\$425,000	\$386,943	\$386,943	\$0
Intergovernmental	5,995,940	6,015,645	6,015,645	0
Rent	0	55,650	55,650	0
Other	0	83,774	83,774	0
Total Revenues	6,420,940	6,542,012	6,542,012	0
<u>Expenditures:</u>				
Current:				
Health	6,410,390	6,620,199	6,532,269	87,930
Net Change in Fund Balance	10,550	(78,187)	9,743	87,930
Fund Balance at Beginning of Year	1,442,116	1,442,116	1,442,116	0
Fund Balance at End of Year	<u>\$1,452,666</u>	<u>\$1,363,929</u>	<u>\$1,451,859</u>	<u>\$87,930</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation and Developmental Disabilities Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Taxes	\$2,939,895	\$3,214,622	\$3,214,622	\$0
Charges for Services	188,000	220,270	220,270	0
Intergovernmental	4,889,468	4,727,154	4,727,154	0
Other	48,250	41,270	41,270	0
Total Revenues	8,065,613	8,203,316	8,203,316	0
<u>Expenditures:</u>				
Current:				
Health	9,149,023	9,014,333	8,339,544	674,789
Excess of Revenues Under Expenditures	(1,083,410)	(811,017)	(136,228)	674,789
<u>Other Financing Uses:</u>				
Operating Transfers Out	(100,000)	(100,000)	(100,000)	0
Net Change in Fund Balance	(1,183,410)	(911,017)	(236,228)	674,789
Fund Balance at Beginning of Year	1,314,204	1,314,204	1,314,204	0
Prior Year Encumbrances Appropriated	116,621	116,621	116,621	0
Fund Balance at End of Year	<u>\$247,415</u>	<u>\$519,808</u>	<u>\$1,194,597</u>	<u>\$674,789</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Jail Operating Levy Fund
For the Year Ended December 31, 2002

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>Revenues:</u>				
Taxes	\$1,308,224	\$1,398,442	\$1,398,442	\$0
Charges for Services	1,161,350	1,124,704	1,124,704	0
Intergovernmental	1,159,771	1,065,356	1,065,356	0
Total Revenues	3,629,345	3,588,502	3,588,502	0
<u>Expenditures:</u>				
Current:				
Public Safety	4,529,145	4,543,841	4,542,997	844
Excess of Revenues Under Expenditures	(899,800)	(955,339)	(954,495)	844
<u>Other Financing Sources:</u>				
Operating Transfers In	700,612	654,611	654,611	0
Net Change in Fund Balance	(199,188)	(300,728)	(299,884)	844
Fund Balance at Beginning of Year	(2,302,861)	(2,302,861)	(2,302,861)	0
Fund Balance at End of Year	<u>(\$2,502,049)</u>	<u>(\$2,603,589)</u>	<u>(\$2,602,745)</u>	<u>\$844</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Fund Net Assets
Proprietary Funds
December 31, 2002

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Sewer	Water	Total	
Assets				
Current Assets:				
Equity in Pooled Cash and Cash Equivalents	\$1,123,012	\$792,806	\$1,915,818	\$0
Investments with Fiscal and Escrow Agents	5,424	16,273	21,697	0
Receivables:				
Permissive Taxes	8,142	24,427	32,569	0
Accounts	164,335	603,797	768,132	0
Interfund	0	0	0	545,734
Materials and Supplies Inventory	0	1,507	1,507	0
Prepaid Items	0	17,685	17,685	0
<i>Total Current Assets</i>	<u>1,300,913</u>	<u>1,456,495</u>	<u>2,757,408</u>	<u>545,734</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Cash Equivalents with Fiscal Agents	0	11,137	11,137	0
Investments with Fiscal Agents	0	310,648	310,648	0
Special Assessments Receivable	353,312	0	353,312	0
Non Depreciable Capital Assets	1,461,718	490,117	1,951,835	0
Depreciable Capital Assets, Net	15,456,716	18,118,645	33,575,361	0
<i>Total Noncurrent Assets</i>	<u>17,271,746</u>	<u>18,930,547</u>	<u>36,202,293</u>	<u>0</u>
<i>Total Assets</i>	<u>\$18,572,659</u>	<u>\$20,387,042</u>	<u>\$38,959,701</u>	<u>\$545,734</u>
Liabilities				
Current Liabilities:				
Accounts Payable	\$65,552	\$26,950	\$92,502	\$0
Accrued Wages and Benefits Payable	4,230	13,851	18,081	0
Compensated Absences Payable	483	584	1,067	0
Interfund Payable	3,850	14,241	18,091	3,129,168
Intergovernmental Payable	16,029	125,910	141,939	243,301
Claims Payable - Health Benefits	0	0	0	2,080,143
Claims Payable - Workers' Compensation	0	0	0	262,897
Accrued Interest Payable	9,597	11,868	21,465	0
Notes Payable	2,419,701	2,599,674	5,019,375	0
Current Portion of OPWC Loans Payable	0	69,379	69,379	0
Current Portion of OWDA Loans Payable	281,639	162,161	443,800	0
<i>Total Current Liabilities</i>	<u>2,801,081</u>	<u>3,024,618</u>	<u>5,825,699</u>	<u>5,715,509</u>
Current Liabilities Payable from Restricted Assets:				
Accrued Interest Payable	0	2,845	2,845	0
Current Portion of Revenue Bonds Payable	0	69,000	69,000	0
<i>Total Current Liabilities Payable from Restricted Assets</i>	<u>0</u>	<u>71,845</u>	<u>71,845</u>	<u>0</u>
Long-Term Liabilities:				
Compensated Absences Payable	28,457	34,390	62,847	0
Claims Payable - Workers' Compensation	0	0	0	2,063,691
OPWC Loans Payable (Net of Current Portion)	0	785,104	785,104	0
OWDA Loans Payable (Net of Current Portion)	2,489,750	2,701,182	5,190,932	0
Revenue Bond Payable (Net of Current Portion)	0	132,000	132,000	0
<i>Total Long-Term Liabilities</i>	<u>2,518,207</u>	<u>3,652,676</u>	<u>6,170,883</u>	<u>2,063,691</u>
<i>Total Liabilities</i>	<u>5,319,288</u>	<u>6,749,139</u>	<u>12,068,427</u>	<u>7,779,200</u>
Net Assets (Deficit)				
Invested in Capital Assets, Net of Related Debt	11,727,344	12,090,262	23,817,606	0
Restricted for:				
Debt Service	353,312	273,628	626,940	0
Replacement and Improvement	0	45,312	45,312	0
Unrestricted (Deficit)	1,172,715	1,228,701	2,401,416	(7,233,466)
<i>Total Net Assets (Deficit)</i>	<u>\$13,253,371</u>	<u>\$13,637,903</u>	<u>\$26,891,274</u>	<u>(\$7,233,466)</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended December 31, 2002

	<u>Business Type Activities - Enterprise Funds</u>			Governmental
	<u>Sewer</u>	<u>Water</u>	<u>Total</u>	Activities- Internal Service Fund
Operating Revenues				
Charges for Services	\$916,447	\$0	\$916,447	\$0
Charges for Services - Mortgage Revenue Debt	0	3,802,505	3,802,505	0
Charges for Services - Health Benefits	0	0	0	6,871,813
Charges for Services - Workers' Compensation	0	0	0	548,805
<i>Total Operating Revenues</i>	<u>916,447</u>	<u>3,802,505</u>	<u>4,718,952</u>	<u>7,420,618</u>
Operating Expenses				
Personal Services	261,401	947,443	1,208,844	0
Contractual Services	109,077	1,567,736	1,676,813	0
Contractual Services - Health Benefits	0	0	0	446,137
Contractual Services - Workers' Compensation	0	0	0	243,796
Materials and Supplies	84,410	182,252	266,662	0
Claims - Health Benefits	0	0	0	9,064,096
Claims - Workers' Compensation	0	0	0	78,946
Depreciation	576,643	872,849	1,449,492	0
Other	0	11,121	11,121	0
<i>Total Operating Expenses</i>	<u>1,031,531</u>	<u>3,581,401</u>	<u>4,612,932</u>	<u>9,832,975</u>
<i>Operating Income (Loss)</i>	<u>(115,084)</u>	<u>221,104</u>	<u>106,020</u>	<u>(2,412,357)</u>
Non-Operating Revenues (Expenses)				
Permissive Taxes	52,845	158,533	211,378	0
Interest	0	15,125	15,125	0
Interest and Fiscal Charges	(230,496)	(341,376)	(571,872)	0
Other Non-Operating Revenues	0	2,558	2,558	238,549
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(177,651)</u>	<u>(165,160)</u>	<u>(342,811)</u>	<u>238,549</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>(292,735)</u>	<u>55,944</u>	<u>(236,791)</u>	<u>(2,173,808)</u>
Capital Contributions	13,804	9,000	22,804	0
Transfers In	15,000	0	15,000	0
<i>Change in Net Assets</i>	<u>(263,931)</u>	<u>64,944</u>	<u>(198,987)</u>	<u>(2,173,808)</u>
<i>Net Assets (Deficit) Beginning of Year - Restated (See Note 3)</i>	<u>13,517,302</u>	<u>13,572,959</u>	<u>27,090,261</u>	<u>(5,059,658)</u>
<i>Net Assets (Deficit) End of Year</i>	<u>\$13,253,371</u>	<u>\$13,637,903</u>	<u>\$26,891,274</u>	<u>(\$7,233,466)</u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2002

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Sewer	Water	Total	
Decrease in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash Received from Customers	\$902,581	\$3,640,629	\$4,543,210	\$7,190,758
Cash Payments for Employee Services and Benefits	(232,973)	(906,983)	(1,139,956)	0
Cash Payments for Goods and Services	(247,965)	(1,696,274)	(1,944,239)	(567,085)
Cash Payments for Claims - Health Benefits	0	0	0	(8,668,149)
Cash Payments for Claims - Workers' Compensation	0	0	0	(102,725)
Other Operating Expenses	0	(11,121)	(11,121)	0
Other Non-Operating Revenues	0	2,558	2,558	238,549
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>421,643</u>	<u>1,028,809</u>	<u>1,450,452</u>	<u>(1,908,652)</u>
Cash Flows from Noncapital Financing Activities				
Short-Term Interfund Loan	0	0	0	1,908,652
Permissive Taxes	53,231	159,691	212,922	0
Transfers In	15,000	0	15,000	0
<i>Net Cash Provided by Noncapital Financing Activities</i>	<u>68,231</u>	<u>159,691</u>	<u>227,922</u>	<u>1,908,652</u>
Cash Flows from Capital and Related Financing Activities				
Payments for Capital Acquisitions	(459,748)	(132,115)	(591,863)	0
Proceeds from Sale of Notes	2,759,912	2,442,948	5,202,860	0
Tap-In Fees	0	9,000	9,000	0
Special Assessments	29,063	0	29,063	0
Capital Grants	443,448	0	443,448	0
Principal Paid on Debt	(3,598,264)	(3,159,100)	(6,757,364)	0
Interest and Fiscal Charges Paid on Debt	(233,765)	(344,784)	(578,549)	0
<i>Net Cash Used in Capital and Related Financing Activities</i>	<u>(1,059,354)</u>	<u>(1,184,051)</u>	<u>(2,243,405)</u>	<u>0</u>
Cash Flows from Investing Activities				
Purchase of Investments	(5,424)	(16,777)	(22,201)	0
<i>Net Cash Used in Investing Activities</i>	<u>(5,424)</u>	<u>(16,777)</u>	<u>(22,201)</u>	<u>0</u>
<i>Net Decrease in Cash and Cash Equivalents</i>	(574,904)	(12,328)	(587,232)	0
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>1,697,916</u>	<u>816,271</u>	<u>2,514,187</u>	<u>0</u>
<i>Cash and Cash Equivalents End of Year</i>	<u>\$1,123,012</u>	<u>\$803,943</u>	<u>\$1,926,955</u>	<u>\$0</u>

(Continued)

Jefferson County, Ohio
Statement of Cash Flows
Proprietary Funds (Continued)
For the Year Ended December 31, 2002

	Business Type Activities - Enterprise Funds			Governmental Activities- Internal Service Fund
	Sewer	Water	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	(\$115,084)	\$221,104	\$106,020	(\$2,412,357)
Adjustments:				
Depreciation	576,643	872,849	1,449,492	0
Non-Operating Revenues	0	2,558	2,558	238,549
Changes in Assets and Liabilities:				
Increase in Accounts Receivable	(13,866)	(161,876)	(175,742)	0
Decrease in Intergovernmental Receivable	0	0	0	29,050
Increase in Due from Other Funds	0	0	0	(258,910)
Decrease in Materials and Supplies Inventory	0	36	36	0
Increase in Prepaid Items	0	(1,176)	(1,176)	0
Increase (Decrease) in Accounts Payable	58,665	(4,993)	53,672	0
Decrease in Contracts Payable	(117,666)	(2,180)	(119,846)	0
Decrease in Accrued Wages and Benefits Payable	(21)	(1,216)	(1,237)	0
Increase in Compensated Absences Payable	25,848	34,654	60,502	0
Increase in Due to Other Funds	1,620	6,347	7,967	0
Increase in Claims Payable - Health Benefits	0	0	0	395,947
Decrease in Claims Payable - Workers' Compensation	0	0	0	(23,779)
Increase in Intergovernmental Payable	5,504	62,702	68,206	122,848
<i>Net Cash Provided by (Used in) Operating Activities</i>	<u>\$421,643</u>	<u>\$1,028,809</u>	<u>\$1,450,452</u>	<u>(\$1,908,652)</u>

Noncash Activities:

During fiscal year 2002, the County recorded an increase in the fair value of investments of \$7,667 in the Water Enterprise Fund.

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2002

Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,856,977
Cash and Cash Equivalents in Segregated Accounts	1,341,676
Receivables:	
Property Taxes	44,437,178
Accounts	790,476
Special Assessments	307,309
Intergovernmental	<u>4,623,355</u>
<i>Total Assets</i>	<u><u>\$54,356,971</u></u>
Liabilities	
Intergovernmental Payable	49,991,407
Undistributed Monies	<u>4,365,564</u>
<i>Total Liabilities</i>	<u><u>\$54,356,971</u></u>

See accompanying notes to the basic financial statements

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 1 - REPORTING ENTITY AND BASIS OF PRESENTATION

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

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

Reporting Entity:

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

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

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

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

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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

Jefferson County Agricultural Society
Jefferson County Educational Service Center
Jefferson County Community Action Council
Jefferson County Historical Society
Jefferson County Law Library Association
Jefferson County Joint Vocational School District
Jefferson County Taxpayers Association
Jefferson County Land Office
Public Library of Steubenville and Jefferson County
Prime Time Office on Aging
Jefferson County Community Improvement Corporation
Alliance 2000

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

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

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

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

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

Jefferson County Regional Planning Commission

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
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The County is involved with the following organizations which are defined as jointly governed organizations. Additional financial information concerning the jointly governed organizations is presented in Note 21.

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

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

The Jefferson Metropolitan Housing Authority
Jefferson Community College

The County is associated with the following organization which is a public entity pool. Additional information concerning the pool is presented in Note 23.

County Risk Sharing Authority (CORSA)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Basis of Presentation

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

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

Jefferson County, Ohio
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For the Year Ended December 31, 2002

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

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

B. Fund Accounting

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

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

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

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

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

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

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

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Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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

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

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

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

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

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

Internal Service Fund 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 Fund is 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

Jefferson County, Ohio
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For the Year Ended December 31, 2002

and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

D. Basis of Accounting

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

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

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

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

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

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Property taxes for which there is an enforceable legal claim as of December 31, 2002, but which were levied to finance year 2003 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

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

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

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

E. Budgetary Process

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts when the original appropriations were adopted. These appropriations were made before the end of the prior year and before the year end fund balances were known. This resulted in differences being reported for beginning of year fund balances for the original and final budgeted amounts. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the final amended certificate of estimated resources issued during 2002.

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

F. Cash, Cash Equivalents, and Investments

Cash balances of the County's funds, except cash held by a trustee or fiscal agent or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2002, investments were limited to United States Treasury Bills, Treasury Notes, money market mutual funds, and certificates of deposit. Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Under existing Ohio statutes, all investment earnings accrue to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2002

Jefferson County, Ohio
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amounted to \$401,982, which includes \$376,879 assigned from other funds. Interest income received directly by JeffCo Workshop during 2002 was \$38,899.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

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

G. Restricted Assets

Certain resources set aside for the repayment of enterprise fund revenue bonds and for the replacement and improvement of enterprise fund capital assets acquired through the issuance of revenue bonds are classified as restricted assets on the statement of fund net assets because their use is limited by applicable bond covenants. Special assessments receivable have been presented as restricted assets as their use is limited by the authorizing legislation.

H. Inventory

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

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2002, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

J. Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest costs incurred during the construction of capital assets utilized by the enterprise funds are also capitalized.

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

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For the Year Ended December 31, 2002

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

The component unit, JeffCo Workshop, Inc. depreciates equipment from 5-7 years and vehicles over 5 years utilizing the straight-line method.

K. Interfund Balances

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

L. Compensated Absences

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

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

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

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

M. Accrued Liabilities and Long-term Obligations

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

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,

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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

N. Discounts

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond issuance costs, bond premium and discounts are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recorded as deferred charges and amortized over the term of the related debt.

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

On the governmental fund financial statements, governmental fund types recognize issuance costs, bond premiums, and bond discounts in the current period. The face amount of the debt issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Fund Balance Reserves

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

P. Fund Balance Designations

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

Q. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The restrictions for other purposes are primarily for net assets of the Mental Health, Mental Retardation and Developmental Disabilities, Motor Vehicle and Gasoline Tax and the Tuberculosis/Crippled Child Levy special revenue funds.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

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

R. Operating Revenues and Expenses

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

S. Capital Contributions

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

T. Interfund Activity

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

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

U. Extraordinary and Special Items

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

V. Estimates

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

NOTE 3 - RESTATEMENT OF PRIOR YEAR FUND EQUITY

Changes in Accounting Principles For the year ended December 31, 2002, the County has implemented GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," GASB Statement No. 37, "Basic Financial Statements for State and Local Governments: Omnibus," GASB No. 38, "Certain Financial Statement Note Disclosures," and GASB Interpretation No. 6, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements." At December 31, 2001, there was no effect on fund balances as a result of implementing GASB Statements 37 and 38.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Restatement of Fund Balances The fund classification was updated during fiscal year 2002 to reclassify numerous funds, including the reclassification of the airport fund, previously reported as an enterprise fund, and the crippled child levy fund, previously reported as an agency fund, both being reclassified as special revenue funds. There were also restatements of fund equity for corrections of prior year accrual balances, the allocation of agency fund cash associated County activities, and the increase of the capital asset threshold to ten thousand dollars. These restatements and the implementation of Interpretation No. 6 had the following effect on fund balance of the major and nonmajor funds of the County as they were previously reported. The transition from governmental fund balance to net assets of the governmental activities is also presented.

	General	Public Assistance	MVGT	Mental Health
Fund Balances				
December 31, 2001	\$3,490,398	\$175,696	\$1,131,807	\$997,983
Fund Reclassifications:				
Airpark	0	0	0	0
Crippled Child Levy	0	0	0	0
Interpretation 6:				
Compensated Absences	41,768	58,107	23,097	3,937
Restated Liability	0	0	0	0
Agency Fund Cash Allocation	97,033	0	0	4,404
Restated Fund Balances				
December 31, 2001	<u>\$3,629,199</u>	<u>\$233,803</u>	<u>\$1,154,904</u>	<u>\$1,006,324</u>

(Continued)

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

The transition from governmental fund balance to net assets of the governmental activities continued:

	MRDD	Jail Operating Levy	Jail Construction	Nonmajor Funds	Totals
Fund Balances					
December 31, 2001	\$1,443,997	(\$2,328,662)	(\$4,304,463)	\$6,710,558	\$7,317,314
Fund Reclassifications:					
Airpark	0	0	0	375,071	375,071
Crippled Child Levy	0	0	0	445,426	445,426
Compensated Absences	30,114	13,292	0	57,966	228,281
Restated Liability	0	0	291,492	0	291,492
Agency Fund Cash Allocation	55,639	24,840	0	69,133	251,049
Restated Fund Balances					
December 31, 2001	<u>\$1,529,750</u>	<u>(\$2,290,530)</u>	<u>(\$4,012,971)</u>	<u>\$7,658,154</u>	<u>\$8,908,633</u>
Retatement of Full Accrual Items:					
CAB Accretion					(513,736)
Tax Refund					(154,227)
GASB 34 Adjustments:					
Capital Assets					92,683,036
Internal Service Fund					(5,059,658)
Long-Term Liabilities					(28,944,515)
Accrued Interest Payable					(163,131)
Intergovernmental Payable					(56,980)
Deferred Revenue					8,786,480
Compensated Absences					<u>(1,778,511)</u>
Governmental Activities Net Assets, December 31, 2001					<u><u>\$73,707,391</u></u>

The transition from proprietary fund equity to net assets of the business type activities is as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

	Sewer	Water	Airpark	Totals
Fund Equity, December 31, 2001	\$13,167,816	\$13,876,703	\$4,540,556	\$31,585,075
Airpark Fund Reclassification, including the elimination of capital assets and long-term obligations	0	0	(4,540,556)	(4,540,556)
Restated Receivable	372,800	0	0	372,800
Compensated Absences	6,688	4,228	0	10,916
Capital Asset Threshold Restatements, Net	(30,002)	(307,972)	0	(337,974)
Business Type Activities				
Net Assets December 31, 2001	\$13,517,302	\$13,572,959	\$0	\$27,090,261

NOTE 4 - BUDGETARY BASIS OF ACCOUNTING

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

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

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

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For the Year Ended December 31, 2002

Net Change in Fund Balances
General and Major Special Revenue Funds

	General	Public Assistance	MVGT	Mental Health	MRDD	Jail Operating Levy
GAAP Basis	(\$757,396)	\$149,470	\$278,597	\$508,971	\$15,635	(\$363,644)
Net Adjustment for Revenue Accruals	464,040	166,301	141,947	(364,542)	(184,822)	78,823
Advances In	101,929	0	0	0	0	0
Unrecorded Cash	(99,918)	0	0	0	0	0
Agency Fund Cash Allocation	(135,963)	0	0	(8,464)	(106,947)	(47,747)
Net Adjustment for Expenditure Accruals	32,983	(154,737)	8,333	(126,222)	39,906	33,734
Advances Out	(181,929)	0	0	0	0	0
Encumbrances	(103,015)	0	(120,871)	0	0	(1,050)
Budget Basis	(\$679,269)	\$161,034	\$308,006	\$9,743	(\$236,228)	(\$299,884)

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 5 - ACCOUNTABILITY AND COMPLIANCE

A. Fund Deficits

The following funds had a deficit fund balance or deficit net assets as of December 31, 2002:

	Deficit Fund Balance	Deficit Net Assets
<u>Special Revenue Funds:</u>		
Permissive Sheriff	\$1,204,616	
Jail Operating Levy	2,654,174	
Community Development Block Grant	28,902	
<u>Capital Projects Fund:</u>		
Jail Construction	4,108,548	
<u>Internal Service Fund:</u>		
Self Insurance		\$7,233,466

The deficit in the Community Development Block Grant special revenue fund is largely the result of the recognition of liabilities in accordance with generally accepted accounting principles. The general fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The deficit in the Jail Construction capital projects fund is due to the recognition of notes payable in accordance with generally accepted accounting principles.

The deficits in the Permissive Sheriff and Jail Operating Levy special revenue funds and the Self Insurance internal service fund are due to actual cash deficits in the funds, accrued liabilities, as well as a failure to adequately fund these programs. These deficits were reported as payables to other funds on a GAAP basis. In order to alleviate the deficit in the self insurance fund, the County Commissioners have increased monthly premium charges and have made changes to the plan guidelines.

B. Legal Compliance:

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

	<u>Excess</u>
<u>Special Revenue Fund:</u>	
Motor Vehicle Gas Tax Fund	
Public Works	
Capital Outlay	\$1,762,794

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

The Permissive Sheriff and Jail Operating Levy special revenue funds and the Self Insurance internal service fund had appropriations in excess of estimated revenues contrary to section 5705.39, Revised Code. The County will monitor estimated revenue levels in the future to ensure that appropriations are not in excess of the amount available.

NOTE 6 - DEPOSITS AND INVESTMENTS

A. Primary Government

Moneys held by the County are classified by State statute into two categories. Active moneys are public moneys determined to be necessary to meet current demands upon the County treasury. Active moneys 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.

Moneys held by the County which are not considered active are classified as inactive and can be deposited or invested in the following securities:

1. United States treasury bills, bonds, notes, 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;
2. Bonds, notes, debentures, or any other obligation or security 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 the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and 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 division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division 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 exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

9. High grade commercial paper in an amount not to exceed 5 percent of the County's total average portfolio; and
10. Bankers acceptances for a period not to exceed two hundred seventy days and in an amount not to exceed 10 percent of the County's total average portfolio.

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 moneys deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and must be purchased with the expectation that it 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 \$10,000 in undeposited cash on hand which is included on the Balance Sheet of the County as part of "Cash and Cash Equivalents".

Deposits At year-end, the carrying amount of the County's deposits was \$13,829,345 and the bank balance was \$14,459,647. Of the bank balance:

1. \$372,811 was covered by federal depository insurance,
2. \$14,086,836 was considered uninsured and uncollateralized even though securities for collateral were held by the pledging financial institutions' trust department in the County's name and all State statutory requirements for the deposit of money had been followed. Non-compliance with federal requirements would potentially subject the County to a successful claim by the FDIC.

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

	Category 3	Fair Value
U.S. Treasury Bills	289,293	289,293
U.S. Treasury Notes	310,648	310,648
Money Market Mutual Fund	0	176,823
Total	\$599,941	\$776,764

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

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

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

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$14,016,168	\$599,941
Undeposited Cash	(10,000)	0
Investment in a Money Market Mutual Fund	(176,823)	176,823
GASB Statement 3	\$13,829,345	\$776,764

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

B. Component Unit

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$269,241	\$679,917
Investment in a Money Market Mutual Fund	(1,990)	1,990
Certificates of Deposit	632,355	(632,355)
GASB Statement 3	\$899,606	\$49,552

At year end, the carrying amount of JeffCo's deposits was \$899,606, and the bank balance was \$887,538, \$515,002 of which was covered by federal depository insurance and \$372,536 was uninsured and uncollateralized even though securituries for collateral were held by the pledging financial institutions' trust department in the Workshop's name. JeffCo Workshop holds a Shearson Lehman Mutual Fund totaling \$49,552. Investments in open-end mutual funds are not categorized by risk because they are not evidenced by securities that exist in physical or book entry form. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit corporation.

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 2002 for real and public utility property taxes represents collections of 2001 taxes. Property tax payments received during 2002 for tangible personal property (other than public utility property) is for 2002 taxes.

2002 real property taxes are levied after October 1, 2002, on the assessed value as of January 1, 2002, the lien date. Assessed values are established by the State Law at 35 percent of appraised market value. 2002 real property taxes are collected in and intended to finance 2003.

Public utility tangible personal property currently is assessed at varying percentages of true collected value; public utility real property is assessed at 35 percent of true value. 2002 public utility property taxes became a lien December 31, 2001, are levied after October 1, 2002, and are collected in 2003 with real property taxes.

2002 tangible personal property taxes are levied after October 1, 2001, on the value as of December 31, 2001. Collections are made in 2002. Tangible personal property assessments are 25 percent of true value, and 24 percent for inventory.

The full tax rate for all County operations for the year ended December 31, 2002, was 10.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Real Property	\$710,144,460
Public Utility Personal Property	203,524,140
Tangible Personal Property	<u>112,992,494</u>
Total Assessed Property Value	<u><u>\$1,026,661,094</u></u>

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

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

The County treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County. Property taxes receivable represent real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2002 and for which there is an enforceable legal claim. In the general fund, mental health fund, court corrections/public safety fund, tuberculosis/crippled child levy fund, children services fund, mental retardation and developmental disabilities fund, jail operating fund and debt service fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2002 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue while the remainder of the receivable is deferred.

NOTE 8 - PERMISSIVE SALES AND USE TAX

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

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

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

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

The tax monies are held in trust by National City Bank and periodically distributed to the County as outlined in the trust agreement. Sales and use tax revenue for 2002 amounted to \$8,628,934.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 9 - RECEIVABLES

Receivables at December 31, 2002, consisted of taxes, interest, special assessments, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. Management believes all receivables are fully collectible. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. Special assessments relating to the payment of debt are not expected to be collected within one year. The amount not scheduled for collection during the subsequent year is \$511,836. The County has \$186,957 in delinquent special assessments at December 31, 2002.

A summary of the principal items of intergovernmental receivables follows:

Governmental Activities

Jail Operating Levy - Detention	\$208,788
Indigent Fee Reimbursement	85,054
Homestead/Rollback Reimbursement	1,464,849
Local Government Funding	1,159,857
Motor Vehicle License and Gas Tax	1,665,216
Miscellaneous Local Fund Grants	31,622
Mental Health Fund Grants	2,337,153
Court/Corrections Fund Grants	713,017
Permissive Sheriff Fund Grants	10,149
Children Services Fund Grants	960,027
MRDD Fund Grants	1,064,411
CDBG Fund Grants	<u>204,944</u>
Total	<u><u>\$9,905,087</u></u>

The County's component unit, JeffCo Workshop, uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible at December 31, 2002; therefore, no allowance for doubtful accounts has been recorded.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 10 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2002, was as follows:

	<u>Balance</u> <u>12/31/2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2002</u>
<u>Governmental Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$3,479,504	\$412,511	\$0	\$3,892,015
Construction in Progress	3,652,387	1,472,552	(2,518,404)	2,606,535
Total Non Depreciable Capital Assets	<u>7,131,891</u>	<u>1,885,063</u>	<u>(2,518,404)</u>	<u>6,498,550</u>
Depreciable Capital Assets:				
Buildings and Improvements	40,702,258	10,200	(396,820)	40,315,638
Machinery and Equipment	8,588,491	1,814,551	(78,204)	10,324,838
Infrastructure	62,034,507	2,913,602	0	64,948,109
Vehicles	1,678,404	151,386	(10,909)	1,818,881
Total Depreciable Capital Assets	<u>113,003,660</u>	<u>4,889,739</u>	<u>(485,933)</u>	<u>117,407,466</u>
Accumulated Depreciation:				
Buildings and Improvements	(8,282,395)	(1,039,751)	219,848	(9,102,298)
Machinery and Equipment	(4,270,009)	(752,247)	0	(5,022,256)
Infrastructure	(13,708,609)	(1,526,521)	0	(15,235,130)
Vehicles	(1,191,502)	(186,230)	77,655	(1,300,077)
Total Accumulated Depreciation	<u>(27,452,515) *</u>	<u>(3,504,749)</u>	<u>297,503</u>	<u>(30,659,761)</u>
Total Depreciable Capital Assets, Net	<u>85,551,145</u>	<u>1,384,990</u>	<u>(188,430)</u>	<u>86,747,705</u>
Governmental Capital Assets, Net	<u>\$92,683,036</u>	<u>\$3,270,053</u>	<u>(\$2,706,834)</u>	<u>\$93,246,255</u>

*Depreciation expense was charged to governmental activities as follows:

Governmental Activities:

General Government:

Legislative and Executive	\$153,776
Judicial	128,004
Public Safety	934,586
Public Works	1,660,194
Health	296,406
Human Services	203,602
Economic Development and Assistance	107,814
Conservation and Recreation	20,367
Total Depreciation Expense	<u>\$3,504,749</u>

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

	Balance 12/31/2001	Additions	Reductions	Balance 12/31/2002
<u>Business Type Activities:</u>				
Non Depreciable Capital Assets:				
Land	\$264,700	\$0	\$0	\$264,700
Construction in Progress	3,014,115	411,283	(1,738,263)	1,687,135
Total Non Depreciable Capital Assets	<u>3,278,815</u>	<u>411,283</u>	<u>(1,738,263)</u>	<u>1,951,835</u>
Depreciable Capital Assets:				
Buildings and Improvements	749,528	0	0	749,528
Machinery and Equipment	1,130,502	0	0	1,130,502
Infrastructure	53,463,882	1,918,843	0	55,382,725
Vehicles	65,402	0	0	65,402
Total Depreciable Capital Assets	<u>55,409,314</u>	<u>1,918,843</u>	<u>0</u>	<u>57,328,157</u>
Accumulated Depreciation:				
Buildings and Improvements	(291,394)	(19,811)	0	(311,205)
Machinery and Equipment	(426,162)	(81,032)	0	(507,194)
Infrastructure	(21,539,967)	(1,335,569)	0	(22,875,536)
Vehicles	(45,781)	(13,080)	0	(58,861)
Total Accumulated Depreciation	<u>(22,303,304)</u>	<u>(1,449,492)</u>	<u>0</u>	<u>(23,752,796)</u>
Total Depreciable Capital Assets, Net	<u>33,106,010</u>	<u>469,351</u>	<u>0</u>	<u>33,575,361</u>
Business Type Capital Assets, Net	<u>\$36,384,825</u>	<u>\$880,634</u>	<u>(\$1,738,263)</u>	<u>\$35,527,196</u>

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 11 - RISK MANAGEMENT

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

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

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

<u>Type of Coverage</u>	<u>Amount</u>	
Liability:		
General	\$1,000,000	Each Occurrence
Law Enforcement	\$1,000,000	Each Occurrence
Auto	\$1,000,000	Each Occurrence
Errors and Omissions	\$1,000,000	Each Occurrence
Stop Gap	\$1,000,000	
Medical Professional	\$6,000,000	
Foster Parents	\$6,000,000	
Excess	\$5,000,000	
Property:		
Property	\$100,943,658	Replacement Cost Value
Equipment Breakdown	\$100,000,000	Replacement Cost Value
Newly Aquired Location	\$5,000,000	
Contractor's Equipment	Actual Cash Value	
Property in Transit	\$100,000	Each Occurrence
Extra Expense Business		
Interruption	\$1,000,000	Each Occurrence
Flood Damage	\$100,000,000	Each Occurrence
Earthquake Damage	\$100,000,000	Each Occurrence
Debris Removal	\$1,000,000	Each Occurrence
Valuable Papers	\$1,000,000	Each Occurrence
Unintentional Omissions	\$250,000	Each Occurrence
Auto Physical Damage	Actual Cash Value	
Crime:		
Employee Dishonesty	\$1,000,000	Each Occurrence
Money and Securities	\$1,000,000	Each Occurrence
Depositor's Forgery	\$1,000,000	Each Occurrence
Money Orders and Counterfeit	\$1,000,000	Each Occurrence

Jefferson County, Ohio
Notes to the Basic Financial Statements
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The deductible on the above coverage for each occurrence is \$2,500.

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

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

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

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

The County provides health, dental, and vision insurance to its employees through a self-insurance plan. The County pays \$850 per month for every eligible employee regardless of what coverage the employee has chosen, with the employees paying \$32 to \$62 per month for single coverage, and \$58 to \$108 per month for family coverage. The County changed third-party administrators for the insurance program during 2002, and as of December 31, 2002, the County contracted with Sentry Administrative Services to administer the health, dental, and vision insurance plan. The County also pays the premiums for employee life insurance, which is contracted through Sun Life of Canada.

The claims liabilities of \$2,080,143 for health insurance and \$2,326,588 for workers' compensation reported in the self insurance internal service fund at December 31, 2002 are based on the requirements of Governmental Accounting Standards Board Statement Number 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The claims liability is based on an estimate supplied by the County's third party administrator. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustments expenses. A summary of the fund's claims liability during the past two years is as follows:

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Program	Beginning Balance	Current Year Claims	Claims Payments	Ending Balance
Self Insurance - Health				
2001	\$1,303,858	\$8,101,406	\$7,721,068	\$1,684,196
2002	1,684,196	9,064,096	8,668,149	2,080,143
Self Insurance - Workers' Compensation				
2001	1,908,828	864,607	423,068	2,350,367
2002	2,350,367	78,946	102,725	2,326,588

NOTE 12 - DEFINED BENEFIT PENSION PLANS

A. Public Employees Retirement System:

All County full-time employees, other than teachers with the Board of Mentally Retarded/Developmentally Disabled participate in the Public Employees Retirement System of Ohio ("PERS"), a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations; law enforcement employees contribute 10.1 percent. For plan members, other than those engaged in law enforcement, the County was required to contribute 13.55 percent of covered salary for 2002, an increase from 9.25 percent for 2001. The PERS law enforcement program was separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The County contribution for law enforcement employees for 2002 was 16.7 percent, up from 12.4 percent for 2001 for both the law enforcement and public safety divisions. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's contributions to PERS for the years ended December 31, 2002, 2001, and 2000 were \$2,521,289, \$2,426,517, and \$2,426,841, respectively; approximately 76.11 percent has been contributed for 2002 and 100 percent has been contributed for 2001 and 2000. The unpaid contribution for 2002 is recorded as a liability in the respective funds.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

B. State Teachers Retirement System (STRS):

Certified teachers employed by the school for the Board of Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS), a cost sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS 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 issues a publicly available financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

Plan members are required to contribute 9.5 percent of their annual covered salary to fund pension obligations and the County is required to contribute 14 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions to STRS for the years ended December 31, 2002, 2001, and 2000 were \$ 105,800, \$111,964, and \$94,702, respectively; 100 percent has been contributed for 2002, 2001 and 2000.

C. Social Security System

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

NOTE 13 - POST-EMPLOYMENT BENEFITS - PERS and STRS

A. Public Employees Retirement System (PERS):

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) 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 PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The 2002 employer contribution rate was 13.55 percent of covered payroll for employees not engaged in law enforcement; 5.0 percent was the portion that was used to fund health care. The employer contribution rate for law enforcement employees for 2002 was 16.7 percent; 5.0 percent was used to fund health care for both the law enforcement and public safety divisions.

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Notes to the Basic Financial Statements
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Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2001, include a rate return on investments of 8.0 percent, an annual increase in active employee total payroll of 4.0 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.0 percent annually. 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.

The number of active contribution participants was 402,041. The County's actual contributions for 2002 which were used to fund postemployment benefits were \$930,356. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.6 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.4 billion and \$4.8 billion, respectively.

For 2001, House Bill 416 divided the PERS law enforcement program into two separate divisions with separate employee contribution rates and benefits. The law enforcement classification consisted of sheriffs, deputy sheriffs and township police with an employee contribution rate of 10.1 percent. All other members of the PERS law enforcement program were placed in a newly named public safety division and continue to contribute 9.0 percent. The employer contribution rate for both the law enforcement and public safety divisions is 16.70 percent.

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). Benefits include hospitalization, physicians' fees, prescription drugs, and partial reimbursement of monthly Medicare premiums. All benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS.

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$34,007 for 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund at June 30, 2001 (the latest information available), was \$3.256 billion. For the fiscal year ended June 30, 2001, net health care costs paid by STRS were \$300,772,000 and there were 102,132 eligible benefit recipients.

Jefferson County, Ohio
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For the Year Ended December 31, 2002

NOTE 14 – COMPENSATED ABSENCES

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

NOTE 15 - CAPITAL LEASES - LESSEE DISCLOSURE

In prior years, the County has entered into capitalized leases for copying equipment, office equipment, machinery, and vehicles. During 2002, the County entered into an additional capital lease for sheriff's vehicles. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for the governmental funds.

Equipment acquired by lease has been capitalized in government wide statements governmental activities in the amount of \$294,222, and business type activities in the amount of \$110,760, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government wide statements governmental activities and business type activities, respectively. Governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of \$217,881. Business type capitalized leased assets are reflected net of accumulated depreciation in the amount of \$89,223, in the Water Fund. Principal payments towards all capital leases during 2002 totaled \$126,431, a reduction to principal outstanding of \$70,551 for governmental activities and \$55,880 for business type activities.

Future minimum lease payments through 2005 are as follows:

Year	Governmental Activities	
	Principal	Interest
2003	\$48,713	\$3,024
2004	34,093	1,286
2005	10,970	19
Total	\$93,776	\$4,329

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 16 - CONSTRUCTION COMMITMENTS

As of December 31, 2002, the County had the following contractual purchase commitments:

Project	Fund	Purchase Commitment	Amounts Paid as of 12/31/2002	Amounts Remaining on Contracts
Toronto Water Line Connector	Water	\$8,500,000	\$152,635	\$8,347,365
Brilliant Water Tank Rehabilitation Project	Water	395,000	16,447	378,553
Wal-Mart Waterline Extension	Water	66,000	56,446	9,554
County Road 56 Waterline Extension	Water	110,000	40,303	69,697
Township Road 220 Waterline Extension	Water	170,000	6,486	163,514
Barber's Hollow/Mellwood Acres Sewer Project	Sewer	627,909	343,503	284,406
Crestview-Belvedere Sanitary Sewer	Sewer	5,500,000	920,750	4,579,250
Sunshine Park Sanitary Sewer	Sewer	5,000,000	108,220	4,891,780
Hazelwood Sanitary Sewer	Sewer	0	0	0
Lewis Addition Sanitary Sewer	Sewer	6,400	6,144	256
Permar's Run Sanitary Sewer	Sewer	13,000	11,984	1,016
Wal-Mart Sanitary Sewer	Sewer	47,000	24,217	22,783
Airpark Runway Project	Miscellaneous Local	2,525,986	1,050,636	1,475,350
GIS Project	Miscellaneous Local	700,000	272,403	427,597
County Road 53 9.31 Bridge Project	MVGT	434,502	198,620	235,882
County Road 22 Bridge Project	MVGT	589,166	552,583	36,583
County Road 22 Project	MVGT	558,846	532,293	26,553
Total		<u>\$25,243,809</u>	<u>\$4,293,670</u>	<u>\$20,950,139</u>

NOTE 17 - LONG-TERM LIABILITIES

Changes in the County's long-term liabilities during 2002 consist of the following:

Jefferson County, Ohio
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	Outstanding 12/31/2001	Additions	Reductions	Outstanding 12/31/2002	Amounts Due Within One Year
<u>Governmental Activities:</u>					
<i>General Obligation Bonds</i>					
<i>Jail Construction - 1995, \$3,540,000</i>					
Term @ 6.625%	\$1,600,000	\$0	\$365,000	\$1,235,000	\$385,000
<i>Jail Construction Refunding - 1998, \$10,657,219</i>					
Serial/Term - \$10,020,000 @ 3.75%-5.75%	9,070,000	0	220,000	8,850,000	225,000
CAB - \$637,219 @ 4.7%-5.0%	637,219	0	0	637,219	0
Accretion on CAB - \$2,997,781 @ 17.2%	513,736	211,297	0	725,033	0
<i>Various Purpose/Refunding - 1998, \$17,760,000</i>					
<i>Human Services Refunding - \$2,515,000</i>					
Serial/Term @ 3.75%-5.70%	2,385,000	0	200,000	2,185,000	200,000
<i>Jail Construction Additional - \$6,680,000</i>					
Serial/Term @ 3.75%-5.70%	6,680,000	0	295,000	6,385,000	305,000
<i>Emergency 911 - \$2,590,000</i>					
Serial/Term @ 3.75%-5.70%	1,740,000	0	260,000	1,480,000	275,000
<i>Engineer Road Projects - \$5,475,000</i>					
Serial/Term @ 3.75%-5.70%	4,975,000	0	220,000	4,755,000	230,000
Total General Obligation Bonds	27,600,955	211,297	1,560,000	26,252,252	1,620,000
<i>Long Term Notes Payable</i>					
Engineer Vehicles - 2000, \$324,045 @ 5.33%	248,949	0	79,087	169,862	83,047
GIS - 2001, \$700,000 @4.87%	700,000	0	127,012	572,988	133,197
Industrial Park Land - 1997, \$190,000 @ 5.25%	38,000	0	38,000	0	0
Airpark Jet Fuel Tank - 2001, \$198,000 @ 4.50%	198,000	0	13,200	184,800	13,200
Aipark Hangers - 1998, \$255,368 @ 5.10%	151,992	0	32,511	119,481	34,150
Total Long Term Notes Payable	1,336,941	0	289,810	1,047,131	263,594
<i>State Infrastructure Bank Loan</i>					
Airpark Land - 1998, \$370,000 @ 4.25%	344,301	0	43,203	301,098	45,059
<i>OPWC Loan</i>					
Road Resurfacing - 1992, \$130,046 @ 0%	74,778	0	6,502	68,276	6,502
Capital Leases	101,276	63,051	70,551	93,776	48,713
Workers' Compensation Claims Payable	2,350,367	78,946	102,725	2,326,588	262,897
Tax Refund	154,227	0	22,032	132,195	66,096
Compensated Absences	1,778,511	1,706,182	1,348,713	2,135,980	35,653
Total Governmental Activities	\$33,741,356	\$2,059,476	\$3,443,536	\$32,357,296	\$2,348,514

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

	<u>12/31/2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>12/31/2002</u>	<u>One Year</u>
<u>Business Type Activities:</u>					
<i>Mortgage Revenue Bonds</i>					
<i>Water Revenue - 1965</i>					
\$1,360,000 @ 4.00%	\$264,000	\$0	\$63,000	\$201,000	\$69,000
<i>OWDA Loans</i>					
Water - 1989, \$4,181,879 @ 7.89%	3,013,645	0	150,302	2,863,343	162,161
George's Run Sewer - 1986, \$709,116 @ 2.0%	384,108	0	28,638	355,470	29,212
Reed's Mills/Barbers Hollow Treatment Plant 1990, \$4,708,811 @ 5.0%	2,656,182	0	240,263	2,415,919	252,427
Total OWDA Loans	6,053,935	0	419,203	5,634,732	443,800
<i>OPWC Loans</i>					
Airpark Water - 1993, \$178,000 @ 0%	111,250	0	8,900	102,350	8,900
Water Rehabilitation - 1995, \$329,744 @ 0%	285,778	0	21,983	263,795	21,983
Water Tank - 1995, \$40,000 @ 0%	40,000	0	0	40,000	8,000
Piney Fork Waterline - 1998, \$195,000 @ 0%	190,125	0	9,750	180,375	9,750
Norton Hill, Empire - 1998, \$113,589 @ 0%	107,909	0	5,679	102,230	5,679
Water Rehabilitation - 1997, \$226,000 @ 0%	180,800	0	15,067	165,733	15,067
Total OPWC Loans	915,862	0	61,379	854,483	69,379
<i>Capital Leases</i>	55,880	0	55,880	0	0
<i>Compensated Absences</i>	54,215	66,662	56,963	63,914	1,067
Total Business Type Activities	<u>\$7,343,892</u>	<u>\$66,662</u>	<u>\$656,425</u>	<u>\$6,754,129</u>	<u>\$583,246</u>

Governmental Activities:

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
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The term bonds that remain outstanding mature in the year 2005 and are subject to mandatory sinking fund redemption. The mandatory sinking fund redemption is to occur on December 1, in each of the years 1995 through 2004 (with the balance of \$440,000 to be paid at stated maturity on December 1, 2005) at a redemption price equal to 100 percent of the principal amount redeemed, plus accrued interest to the redemption date, according to the following schedule:

<u>Date</u>	<u>Principal Amount to be Redeemed</u>
2003	\$385,000
2004	<u>410,000</u>
	<u><u>\$795,000</u></u>

Principal and interest requirements to retire the 1995 Jail Construction Bonds outstanding at December 31, 2002 are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2003	\$385,000	\$81,819
2004	410,000	56,312
2005	<u>440,000</u>	<u>29,150</u>
Totals	<u><u>\$1,235,000</u></u>	<u><u>\$167,281</u></u>

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

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

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

The capital appreciation bonds were sold at a discount of \$2,997,781, which is being accreted annually until the point of maturity of the capital appreciation bonds, which is 2006 through 2010. The maturity amount of the capital appreciation bonds is \$3,635,000. The accretion recorded for 2002 was \$211,297, for a total bond liability of \$1,362,252.

Principal and interest requirements to retire the 1998 Jail Construction Refunding Bonds outstanding at December 31, 2002 are as follows:

Year Ending December 31	Serial and Term Bonds		Capital Appreciation Bonds	
	Principal	Interest	Principal	Interest
2003	\$225,000	\$486,743	\$0	\$0
2004	235,000	477,180	0	0
2005	245,000	466,958	0	0
2006	0	456,055	173,171	556,829
2007	0	456,056	145,827	579,173
2008-2012	1,490,000	2,244,750	318,221	1,861,779
2013-2017	4,485,000	1,425,714	0	0
2018-2019	2,170,000	188,888	0	0
Totals	\$8,850,000	\$6,202,344	\$637,219	\$2,997,781

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

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

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

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

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

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

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

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

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

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

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

Principal and interest requirements to retire the 1998 Various Purpose Improvement and Refunding Bonds outstanding at December 31, 2002 are as follows:

<u>Year Ending December 31</u>	<u>Serial and Term Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2003	\$1,010,000	\$724,626
2004	1,040,000	681,700
2005	1,020,000	636,460
2006	1,105,000	591,070
2007	1,140,000	540,792
2008-2012	4,510,000	2,020,307
2013-2017	4,980,000	751,320
Totals	<u>\$14,805,000</u>	<u>\$5,946,275</u>

Long Term Notes Payable - The County has issued several long term notes payable, all of which are backed by the full faith and credit of the County. The County has two outstanding tax anticipation notes which were issued for the following purposes: \$169,862 for engineer vehicles and \$572,988 for geographical information systems. These notes are being repaid through the debt service fund from county tax revenues. During 2002 the County fully repaid a tax anticipation note that had been issued for a land purchase at the industrial park. The County has two outstanding revenue anticipation notes which were issued for the following purposes \$184,800 for the a jet fuel tank at the airpark and \$119,481 for hangers at the airpark. These notes are being repaid through the debt service fund from rental revenues and the sale of fuel generated through the use of the airpark.

Jefferson County, Ohio
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For the Year Ended December 31, 2002

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

OPWC Road Resurfacing Loan - The \$68,276 OPWC road resurfacing loan was issued for road repairs and will be repaid through county taxes. The OPWC loan is interest free.

Principal and interest requirements to retire the long term notes payable, state infrastructure bank loan, and the OPWC Road Resurfacing Loan outstanding at December 31, 2002 are as follows:

Year Ending December 31	Notes Payable		SIB Loan		OPWC Loan
	Principal	Interest	Principal	Interest	Principal
2003	\$263,594	\$50,959	\$45,059	\$11,598	\$6,502
2004	275,621	35,359	46,994	9,777	6,502
2005	197,479	23,518	49,012	7,877	6,502
2006	178,437	14,146	51,118	5,895	6,502
2007	13,200	5,791	53,312	3,829	6,502
2008-2012	118,800	20,068	55,603	1,674	32,510
2013	0	0	0	0	3,256
Totals	<u>\$1,047,131</u>	<u>\$149,841</u>	<u>\$301,098</u>	<u>\$40,650</u>	<u>\$68,276</u>

Capital Leases – The County has issued capital leases for copying equipment, office equipment, machinery, and vehicles. These leases will be repaid through the general, permissive sheriff, mental health, and court/corrections funds from County revenues.

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

Tax Refund – The County has a liability to the Duquesne Light Corporation, a public utility company, for repayment of taxes from tax year 1999. The final determination of the refund was issued on June 6, 2000 and was scheduled to be repaid over a five year period through a reduction of ten tax settlements. The liability will be repaid through the general, mental retardation and developmental disabilities, mental health, tuberculosis/crippled child levy, children services, miscellaneous local, and jail operating special revenue funds, and the jail construction capital projects fund. Principal requirements to retire the tax refund outstanding at December 31, 2002 are as follows:

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<u>Date</u>	<u>Principal</u>
2003	\$66,096
2004	44,064
2005	22,035
	<u>\$132,195</u>

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

Business Type Activities:

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

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>
2003	\$69,000	\$6,993
2004	71,000	4,053
2005	61,000	1,281
Totals	<u>\$201,000</u>	<u>\$12,327</u>

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

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

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

Jefferson County, Ohio
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The OWDA and OPWC loan debt service requirements to maturity are as follows:

Year Ending December 31	OWDA Loans		OPWC Loans
	Principal	Interest	Principal
2003	\$443,800	\$350,707	\$69,379
2004	469,957	324,549	69,379
2005	497,783	296,723	69,379
2006	527,388	267,118	69,379
2007	558,897	235,609	69,379
2008-2012	2,574,865	657,451	306,895
2013-2017	562,042	56,392	149,530
2018-2021	0	0	51,163
Totals	\$5,634,732	\$2,188,549	\$854,483

Debt Margins:

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

The effects of the debt limitations described above at December 31, 2002 are a margin on unvoted debt of \$9,750,260, and an overall debt margin of \$23,650,176.

Conduit Debt:

Pursuant to State Statute, various industrial revenue bonds have been issued for private industry within Jefferson County. The proceeds of the industrial revenue bonds are used by the various private industries for new construction or improvements. The bonds are to be repaid by the recipients of the proceeds and do not represent an obligation of the County. As of December 31, 2002, there is \$20,875,000 in industrial revenue bond issues that have not been completely repaid of which \$7,630,000 remain outstanding.

Defeased Debt:

On March 13, 1998, the County issued \$10,657,219 in general obligation bonds with an interest rate of 4.95% to 5.089% to advance refund \$12,935,000 of the outstanding 1991 Human Services Complex bonds and the 1995 Jail Construction bonds with an interest rate of 6.714% to 7.250%. The serial bonds mature on December 1, 2019. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. Government Securities, which were deposited into an irrevocable trust with an escrow agent to provide future debt service payments on the refunded bonds were removed from the County's financial statements. As of December 31, 2002 \$10,660,000 of bonds remained outstanding.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 18 - NOTES PAYABLE

	Outstanding 12/31/01	Issued	Retired	Outstanding 12/31/02
<i>Capital Projects Funds:</i>				
Jail Construction - 2.70%	\$3,995,433	\$4,115,295	\$3,995,433	\$4,115,295
Industrial Park Water and Sewer - 2.70%	370,723	381,845	370,723	381,845
Total Capital Projects	4,366,156	4,497,140	4,366,156	4,497,140
<i>Enterprise Funds:</i>				
Water Projects - 2.70%	2,811,121	2,442,948	2,811,121	2,442,948
Water RECDS Consolidation - 5.60%	174,144	0	17,418	156,726
Sewer Projects - 2.78%	0	400,000	400,000	0
Sewer Projects - 2.70%	2,922,722	2,359,912	2,922,723	2,359,911
Sewer RECDS Consolidation - 5.60%	66,430	0	6,640	59,790
Total Enterprise	5,974,417	5,202,860	6,157,902	5,019,375
Total	\$10,340,573	\$9,700,000	\$10,524,058	\$9,516,515

The capital projects funds notes are bond anticipation notes and are backed by the full faith and credit of Jefferson County and have a maturity of one year or less, and no long term financing arrangements have been made for these notes. These notes will be repaid through the debt service fund with permissive sales tax revenue. The enterprise fund notes are bond anticipation and revenue anticipation notes. The bond anticipation notes have a maturity of one year or less, and no long term financing arrangements have been made. The revenue anticipation bonds are scheduled to be repaid over a four year period and a schedule of debt service requirements is below. The water and sewer project notes will be repaid through user charges.

Year Ending December 31	<u>Water RECDS Consolidation</u>		<u>Sewer RECDS Consolidation</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2003	\$17,418	\$8,900	\$6,640	\$3,393
2004	17,418	7,933	6,640	3,024
2005	17,418	6,923	6,640	2,639
2006	104,472	5,934	39,870	2,262
Totals	\$156,726	\$29,690	\$59,790	\$11,318

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 19 – INTERNAL BALANCES

Interfund balances at December 31, 2002 consist of the following individual interfund receivables and payables:

<u>Interfund Payable</u>	<u>Interfund Receivable</u>						
	<u>Major Funds</u>				Other		Total
	General	Public Assistance	Mental Health	MRDD	Nonmajor Governmental	Self Insurance	
Major Funds:							
General Fund	\$0	\$0	\$0	\$0	\$0	\$107,690	\$107,690
Public Assistance	139,902	0	0	0	51,454	71,617	262,973
MVGT	0	0	0	0	50,000	44,565	94,565
Mental Health	0	0	0	0	0	5,598	5,598
MRDD	0	0	0	0	0	110,415	110,415
Jail Operating Levy	1,293	0	0	601,695	2,009,536	58,885	2,671,409
Sewer	0	0	0	0	0	3,850	3,850
Water	0	0	0	0	0	14,241	14,241
Other Nonmajor							
Governmental	188,222	129,522	1,297,470	0	21,744	128,873	1,765,831
Self Insurance	1,000,000	0	102,530	526,638	1,500,000	0	3,129,168
Total All Funds	<u>\$1,329,417</u>	<u>\$129,522</u>	<u>\$1,400,000</u>	<u>\$1,128,333</u>	<u>\$3,632,734</u>	<u>\$545,734</u>	<u>\$8,165,740</u>

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

The interfund receivable in the Self Insurance Fund, that is included in the other funds column above, is a result of the liability from County Funds to the Self Insurance Fund for the administrative cost of the Bureau of Workers' Compensation Retrospective Rating Plan.

The remaining interfund receivables/payables are due to lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made. Also, actual cash deficit balances in the Jail Operating Levy Fund, Permissive Sheriff Fund, and the Self Insurance Fund which were covered by cash from the Tuberculosis/Crippled Child Levy Fund, General Fund, Mental Health Fund, Mental Retardation and Developmental Disabilities Fund, and Miscellaneous Local Fund.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

Interfund transfers for the year ended December 31, 2002 consisted of the following:

<u>Transfer from</u>	Transfer to				Totals
	Major Funds			Other Nonmajor Governmental	
	Jail Operating Levy	Jail Construction	Sewer		
General Fund	\$654,611	\$200,000	\$0	\$1,478,573	\$2,333,184
MVGT Fund	0	0	0	564,017	564,017
MRDD Fund	0	0	0	100,000	100,000
Other Nonmajor Governmental	0	0	15,000	496,812	511,812
Total All Funds	\$654,611	\$200,000	\$15,000	\$2,639,402	\$3,509,013

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 20 - JOINT VENTURE

Jefferson County Regional Planning Commission:

The County participates in the Jefferson County Regional Planning Commission which is a statutorily created (ORC section 713) political subdivision of the State. The commission is jointly governed among Jefferson County and municipalities and townships within the County. The commission includes the three Jefferson County Commissioners, fourteen municipality mayors, fourteen township trustees, and six non-governmental representatives appointed by the member governments. Each member's control over the operation of the commission is limited to its representation on the board. The Commission makes studies, maps, plans, recommendations and reports concerning the physical, environment, social, economic and governmental functions and services of the County as well as applies for Community Development Block Grants for the member governments. The Board exercises total control of the budgeting, appropriation, contracting and management. The County's contribution is a \$84,619 annual subsidy (approximately 58% of the annual revenues of the Commission). The remaining member governments contribute an annual fee that totals \$4,000 per year. The Commission applies for Community Development Block Grants on behalf of member governments and receives approximately \$49,450 per year in administrative fees. Continued existence of the Commission is dependent upon the County's continued participation; however, the County does not have an equity interest in the Commission. The Commission is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. The financial activity of the Commission is presented as an agency fund due to the County serving as fiscal agent. Complete financial statements can be obtained from the Jefferson County Regional Planning Commission, Steubenville, Ohio.

NOTE 21 - JOINTLY GOVERNED ORGANIZATIONS

A. *Jefferson County Cluster*

Jefferson County Cluster provides services to multi-need youth in Jefferson County. Members of the Cluster include the Jefferson County Alcohol, Drug Addiction, and Mental Health Services Board, the Children Services Board, the Jefferson Drug and Alcohol Councils, student services, Jefferson Juvenile District, the superintendent of public instruction, and the directors of youth services, human services, and mental retardation and developmental disabilities. The operation of the Cluster is controlled by an advisory committee which consists of a representative from each agency. The Cluster is not dependent upon Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Cluster. The County contributed \$45,000 to the Cluster in 2002.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

B. East Ohio Correctional Facility:

The East Ohio Correctional Facility provides services to Carroll, Columbiana, Harrison and Jefferson Counties. The facility has a judicial correctional board of four, each participating County's Common Pleas Judge. Each member's control over the operation of the commission is limited to its representation on the board. The continued existence of the Facility is not dependent on Jefferson County, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Facility and the activity is presented on the financial statements as an agency fund. The County did not contribute financially to the facility in 2002.

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

BHJ is a separate and distinct political subdivision created pursuant to Ohio Revised Code section 713.30 and West Virginia Revised Code articles 8-25 and 8-26 to provide planning and administrative services to all local governments in a three county region comprised of Jefferson County and two counties in West Virginia. The governing board is comprised of 69 members which include 50 elected officials from the counties and municipalities as well as 19 appointed members from an array of private, public, and quasi-public and quasi-public entities. The Commission is not dependent upon Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Council. The County contributed \$32,320 to BHJ in 2002.

D. Southeast Ohio Juvenile Rehabilitation District (SOJRD):

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

A Board of Trustees has been created whose members are appointed by the juvenile judges of which Belmont and Jefferson counties have three appointees, Guernsey County has two appointees, and Harrison, Monroe and Noble counties each have one appointee. The facility is located on property now owned by Belmont County. Policies, procedures and the operating budget are approved by the Judicial Rehabilitation Board. The Board is not dependent upon Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Board. The County did not contribute financially to the SOJRD in 2002.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

E. Area Office on Aging:

The Area Office on Aging is a regional council of governments that assists nine counties, including Jefferson County, in providing services to senior citizens in the Council's service area. The Council is governed by a board of directors comprised of one representative appointed by each participating county. The board has total control over budgetary, personnel and all other financial matters. The Area Office on Aging receives Title III monies to be used for programs within the member counties. The continued existence of the Council is not dependent on the County's continued participation and the County has no equity interest in or financial responsibility for the Council. The Council has no outstanding debt. The County did not contribute financially to the office in 2002.

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

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

The board has total control over budgeting, personnel, and financial matters. Each member currently pays a per capita membership fee based upon the most recent United States census. The continued existence of OMEGA is not dependent on the County's continued participation and the County does not have an equity interest in or financial responsibility for OMEGA. OMEGA has no outstanding debt. The County contributed \$5,904 to OMEGA in 2002.

G. Jefferson-Belmont Joint Solid Waste Authority:

The Jefferson-Belmont Joint Solid Waste Authority is a jointly governed organization between Jefferson and Belmont counties. The Authority, formed to provide solid waste services to the two participating counties, is governed by a fourteen member board of directors of which one commissioner from Jefferson County is a member. The Authority is not dependent on Jefferson County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Authority. The County does not make any monetary contributions to the Authority. Jefferson County serves as fiscal agent for the District and the activity is presented on the financial statements as an agency fund. The County did not contribute financially to the authority in 2002.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

H. Jefferson County Family and Children First Council:

The Jefferson County Family and Children First Council is a jointly governed organization created under the Ohio Revised Code Section 121.37. The Council is comprised of the following members: Director of the Board of Mental Health, Alcohol and Drug Addiction, Health Commissioner of the City of Steubenville, Health Commissioner of Jefferson County, Director of the Jefferson County Department of Job and Family Services, Director of Children Services, Superintendent of Jefferson County Board of Mental Retardation and Developmental Disabilities, Juvenile Court Judge, Superintendent of the Steubenville City Board of Education, Superintendent of the Jefferson County Educational Service Center, Superintendent of Edison Local School District, Mayor of Steubenville, Chairman of the Board of County Commissioners, Director of the regional office of the Department of Youth Services, Director of the Community Action Council, a representative of Jefferson County Early Intervention Collaborative, a representative of the Jefferson County Behavioral Health System, a representative from the Jefferson County United Way, and a representative from the Family Services Association, three individuals representing the interests of families in Jefferson County, a representative from any public or private organization which formally attests to its support for the mission of the Council. The current Council is governed currently by a 24 member Board. During 2002, the County made no contributions to the Council. Continued existence of the Council is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

I. Mid Eastern Ohio Regional Council of Governments (MEORC):

The Mid Eastern Ohio Regional Council of Governments is a regional council of governments created pursuant to Ohio Revised Code Chapter 167. Participating counties include Belmont, Carroll, Coshocton, Fairfield, Guernsey, Harrison, Hocking, Holmes, Jefferson, Knox, Monroe, Morgan, Muskingum, Noble, Perry, Tuscarawas, and Washington Counties. MEORC was created to provide the best possible services to persons with mental retardation and disability in their respective counties. Each county has representation on the MEORC board. Member counties have a contract between its county MR/DD board and the MEORC for MEORC to provide supported living services or housing to eligible persons in the member counties.

J. Belmont - Jefferson Workforce Policy Board

The Belmont - Jefferson Workforce Policy Board was created to establish a workforce investment system, including providing policy guidance for, and exercising oversight for the Workforce Development Plan in conjunction with the Workforce Investment Act. The Board was created under the Ohio Revised Code Section 6301 and Amended Substitute House Bill 470. The Board is comprised of 29 members in total with 14 members appointed by the Jefferson County Commissioners and 15 members appointed by the Belmont County Commissioners. During 2002, the County made no contributions to the Board.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 22 - RELATED ORGANIZATIONS

A. Jefferson Metropolitan Housing Authority

The Jefferson Metropolitan Housing Authority was established to provide adequate public housing for low income individuals and was created pursuant to Ohio Revised Code Section 3735.27. The Authority is operated by a five member board. Two members are appointed by the mayor of the largest city in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority. The County did not contribute financially to the authority in 2002.

B. Jefferson Community College

Jefferson Community College was established to provide educational programming and opportunities for individual growth and development that best serves the citizens and was created pursuant to Ohio Revised Code Section 3354. The College is operated by a nine member board. Six members are appointed by the County commissioners and three members are appointed by the Governor. The College receives funding from State appropriation, Federal grants and programs, Student Fees and other private sources. The board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the College. The County did not contribute financially to the College in 2002.

NOTE 23 - PUBLIC ENTITY POOLS

A. County Risk Sharing Authority (CORSA)

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

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

amounts and estimates of losses are not reasonably determinable. The County's payment for insurance to CORSA in 2002 was \$480,352.

NOTE 24 - FOOD STAMPS

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

NOTE 25 – CONTINGENCIES/SUBSEQUENT EVENTS

A. Primary Government

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.

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

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

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

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

In addition to its actions against the V Group, the Commissioners brought an adversary action in the Bankruptcy Court against Continental Casualty Company, the errors and omissions carrier for the V Group. The Commissioners alleged that although Continental maintained and still maintains the V Group exhausted its policy limits in the defense of the underlying case, additional coverage remained. Continental and the Commissioners have reached a settlement in the amount of One Hundred Seventy-Two Thousand Six Hundred and Seventeen Dollars (\$172,617) to be paid by Continental to the County. The Bankruptcy Court approved the settlement on April 25, 2002. Continental paid this settlement amount to the County during 2003.

On January 7, 2002, the Bankruptcy Court authorized the Jefferson County Commissioners to bring claims based on theories of fraudulent transfer, preference, and alter ego claims against the insiders of the V Group, entities related to or controlled by the insiders of the V Group, and others who assisted them with regard to such alleged transfers (the "Recovery Action"). In October, 2002, the Bankruptcy Court ordered all of the parties to the Recovery Action into a confidential mediation. The mediation has been ongoing since January, 2003. At this time, the ultimate outcome of this matter is unable to be assessed.

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

B. Component Unit

Currently, no potential liability is expected to be incurred by JeffCo Workshop.

Jefferson County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2002

NOTE 26 - RELATED PARTY TRANSACTIONS

During 2002, Jefferson County provided facilities, certain equipment, transportation and salaries for administration, implementation and supervision of its programs to JeffCo Workshop, a discretely presented component unit of Jefferson County, reported \$35,837 for such contributions. JeffCo Workshop, recorded operating revenues and operating expenses at cost or fair value as applicable, to the extent the contribution is related to the vocational purpose of JeffCo Workshop.

The County also had significant related party transactions for investments by the County Treasurer and a financial institution within the County.

**Combining Statements
And
Individual Fund Schedules**

Jefferson County, Ohio
Fund Descriptions

NonMajor Special Revenue Funds:

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

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

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

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

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

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

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

(Continued)

Jefferson County, Ohio
Fund Descriptions (Continued)

Nonmajor Debt Service Fund:

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

Nonmajor Capital Projects Fund:

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

Jefferson County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$2,569,586	\$2,058,635	\$471,882	\$5,100,103
Cash and Cash Equivalents in Segregated Accounts	84,901	0	0	84,901
Investments with Fiscal and Escrow Agents	0	101,252	0	101,252
Receivables:				
Property Taxes	2,472,169	1,282,020	0	3,754,189
Permissive Taxes	173,732	151,989	0	325,721
Accounts	10,696	0	0	10,696
Intergovernmental	2,233,524	65,250	0	2,298,774
Interfund	3,500,000	0	0	3,500,000
Due from Other Funds	132,734	0	0	132,734
Materials and Supplies Inventory	13,902	0	0	13,902
Prepaid Items	61,349	0	0	61,349
<i>Total Assets</i>	<u>\$11,252,593</u>	<u>\$3,659,146</u>	<u>\$471,882</u>	<u>\$15,383,621</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$294,990	\$0	\$0	\$294,990
Accrued Wages and Benefits	141,842	0	0	141,842
Interfund Payable	1,484,399	0	0	1,484,399
Due to Other Funds	281,432	0	0	281,432
Intergovernmental Payable	159,556	0	0	159,556
Deferred Revenue	4,252,374	1,347,270	0	5,599,644
Accrued Interest Payable	0	0	1,356	1,356
Notes Payable	0	0	381,845	381,845
<i>Total Liabilities</i>	<u>6,614,593</u>	<u>1,347,270</u>	<u>383,201</u>	<u>8,345,064</u>
Fund Balances				
Reserved for Encumbrances	95,196	0	0	95,196
Unreserved, Undesignated, Reported in:				
Special Revenue Funds	4,542,804	0	0	4,542,804
Debt Service Funds	0	2,311,876	0	2,311,876
Capital Projects Funds	0	0	88,681	88,681
<i>Total Fund Balances</i>	<u>4,638,000</u>	<u>2,311,876</u>	<u>88,681</u>	<u>7,038,557</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$11,252,593</u>	<u>\$3,659,146</u>	<u>\$471,882</u>	<u>\$15,383,621</u>

Jefferson County, Ohio
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2002

	Miscellaneous Local	Court/Corrections and Public Safety	Permissive Sheriff	Tuberculosis/ Crippled Child Levy
Assets				
Equity in Pooled Cash and Cash Equivalents	\$259,881	\$873,398	\$0	\$523,427
Cash and Cash Equivalents in Segregated Accounts	81,284	0	1,808	0
Receivables:				
Property Taxes	0	1,552,282	0	0
Permissive Taxes	0	0	173,732	0
Accounts	0	0	0	0
Intergovernmental	31,622	883,283	10,149	0
Interfund	1,500,000	0	0	2,000,000
Due from Other Funds	50,000	18,564	9,536	0
Materials and Supplies Inventory	6,886	465	4,219	0
Prepaid Items	10,267	6,725	29,425	0
<i>Total Assets</i>	<u>\$1,939,940</u>	<u>\$3,334,717</u>	<u>\$228,869</u>	<u>\$2,523,427</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$1,536	\$49,950	\$22,938	\$0
Accrued Wages and Benefits	28,798	22,492	40,862	0
Interfund Payable	5,000	181,929	1,297,470	0
Due to Other Funds	169,910	23,282	40,440	0
Intergovernmental Payable	37,323	20,972	31,775	6,033
Deferred Revenue	91,833	2,323,578	0	0
<i>Total Liabilities</i>	<u>334,400</u>	<u>2,622,203</u>	<u>1,433,485</u>	<u>6,033</u>
Fund Balances (Deficit)				
Reserved for Encumbrances	77,851	380	0	0
Unreserved	1,527,689	712,134	(1,204,616)	2,517,394
<i>Total Fund Balances (Deficit)</i>	<u>1,605,540</u>	<u>712,514</u>	<u>(1,204,616)</u>	<u>2,517,394</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$1,939,940</u>	<u>\$3,334,717</u>	<u>\$228,869</u>	<u>\$2,523,427</u>

Children Services	Community Development Block Grant	Total Nonmajor Special Revenue Funds
\$897,334	\$15,546	\$2,569,586
1,809	0	84,901
919,887	0	2,472,169
0	0	173,732
10,696	0	10,696
1,103,526	204,944	2,233,524
0	0	3,500,000
54,634	0	132,734
2,332	0	13,902
14,932	0	61,349
<u>\$3,005,150</u>	<u>\$220,490</u>	<u>\$11,252,593</u>
\$176,118	\$44,448	\$294,990
49,690	0	141,842
0	0	1,484,399
47,800	0	281,432
63,453	0	159,556
1,632,019	204,944	4,252,374
<u>1,969,080</u>	<u>249,392</u>	<u>6,614,593</u>
16,965	0	95,196
1,019,105	(28,902)	4,542,804
<u>1,036,070</u>	<u>(28,902)</u>	<u>4,638,000</u>
<u>\$3,005,150</u>	<u>\$220,490</u>	<u>\$11,252,593</u>

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Jefferson County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2002

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues				
Property Taxes	\$2,097,790	\$1,057,950	\$0	\$3,155,740
Permissive Taxes	1,142,559	986,435	0	2,128,994
Charges for Services	1,502,973	0	0	1,502,973
Licenses and Permits	149,014	0	0	149,014
Fines and Forfeitures	20,552	0	0	20,552
Intergovernmental	7,181,275	102,232	84,232	7,367,739
Interest	1,099	0	0	1,099
Rent	20,615	350,136	0	370,751
Other	268,374	0	5,000	273,374
<i>Total Revenues</i>	<u>12,384,251</u>	<u>2,496,753</u>	<u>89,232</u>	<u>14,970,236</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,016,984	0	0	1,016,984
Judicial	134,947	0	0	134,947
Public Safety	4,138,623	0	0	4,138,623
Public Works	242,897	0	0	242,897
Health	308,604	0	0	308,604
Human Services	7,126,175	0	0	7,126,175
Economic Development and Assistance	1,298,751	0	0	1,298,751
Capital Outlay	0	0	122,233	122,233
Debt Service:				
Principal Retirement	31,868	1,899,515	0	1,931,383
Interest and Fiscal Charges	0	1,448,862	11,015	1,459,877
<i>Total Expenditures</i>	<u>14,298,849</u>	<u>3,348,377</u>	<u>133,248</u>	<u>17,780,474</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenditures</i>	<u>(1,914,598)</u>	<u>(851,624)</u>	<u>(44,016)</u>	<u>(2,810,238)</u>
Other Financing Sources (Uses):				
Inception of Capital Lease	63,051	0	0	63,051
Transfers In	1,395,544	1,143,858	100,000	2,639,402
Transfers Out	(511,812)	0	0	(511,812)
<i>Total Other Financing Sources (Uses)</i>	<u>946,783</u>	<u>1,143,858</u>	<u>100,000</u>	<u>2,190,641</u>
<i>Net Change in Fund Balances</i>	(967,815)	292,234	55,984	(619,597)
<i>Fund Balances at Beginning of Year</i>	<u>5,605,815</u>	<u>2,019,642</u>	<u>32,697</u>	<u>7,658,154</u>
<i>Fund Balances End of Year</i>	<u><u>\$4,638,000</u></u>	<u><u>\$2,311,876</u></u>	<u><u>\$88,681</u></u>	<u><u>\$7,038,557</u></u>

Jefferson County, Ohio
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2002

	Miscellaneous Local	Court/Corrections and Public Safety	Permissive Sheriff	Tuberculosis/ Crippled Child Levy
Revenues				
Property Taxes	\$0	\$970,577	\$0	\$206,940
Permissive Taxes	0	0	1,142,559	0
Charges for Services	1,056,163	209,249	165,209	0
Licenses and Permits	149,014	0	0	0
Fines and Forfeitures	12,821	7,731	0	0
Intergovernmental	1,594,661	1,144,519	46,122	87,437
Interest	1,099	0	0	0
Rent	935	19,680	0	0
Other	94,745	4,794	37,314	33
<i>Total Revenues</i>	<u>2,909,438</u>	<u>2,356,550</u>	<u>1,391,204</u>	<u>294,410</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,016,984	0	0	0
Judicial	0	134,947	0	0
Public Safety	0	1,666,437	2,472,186	0
Public Works	242,897	0	0	0
Health	160,900	0	0	147,704
Human Services	1,761,522	0	0	0
Economic Development and Assistance	399,793	0	0	0
Debt Service:				
Principal Retirement	0	9,818	22,050	0
Interest and Fiscal Charges	0	0	0	0
<i>Total Expenditures</i>	<u>3,582,096</u>	<u>1,811,202</u>	<u>2,494,236</u>	<u>147,704</u>
<i>Excess of Revenues Over (Under)</i> <i>Expenditures</i>	<u>(672,658)</u>	<u>545,348</u>	<u>(1,103,032)</u>	<u>146,706</u>
Other Financing Sources (Uses):				
Inception of Capital Lease	0	0	63,051	0
Transfers In	336,398	13,676	1,045,470	0
Transfers Out	(174,102)	(336,743)	(967)	0
<i>Total Other Financing Sources (Uses)</i>	<u>162,296</u>	<u>(323,067)</u>	<u>1,107,554</u>	<u>0</u>
<i>Net Change in Fund Balances</i>	(510,362)	222,281	4,522	146,706
<i>Fund Balances (Deficit) at Beginning of Year</i>	<u>2,115,902</u>	<u>490,233</u>	<u>(1,209,138)</u>	<u>2,370,688</u>
<i>Fund Balances (Deficit) End of Year</i>	<u><u>\$1,605,540</u></u>	<u><u>\$712,514</u></u>	<u><u>(\$1,204,616)</u></u>	<u><u>\$2,517,394</u></u>

Children Services	Community Development Block Grant	Total Nonmajor Special Revenue Funds
\$920,273	\$0	\$2,097,790
0	0	1,142,559
72,352	0	1,502,973
0	0	149,014
0	0	20,552
3,664,019	644,517	7,181,275
0	0	1,099
0	0	20,615
126,738	4,750	268,374
<u>4,783,382</u>	<u>649,267</u>	<u>12,384,251</u>
0	0	1,016,984
0	0	134,947
0	0	4,138,623
0	0	242,897
0	0	308,604
5,364,653	0	7,126,175
0	898,958	1,298,751
0	0	31,868
0	0	0
<u>5,364,653</u>	<u>898,958</u>	<u>14,298,849</u>
<u>(581,271)</u>	<u>(249,691)</u>	<u>(1,914,598)</u>
0	0	63,051
0	0	1,395,544
0	0	(511,812)
<u>0</u>	<u>0</u>	<u>946,783</u>
(581,271)	(249,691)	(967,815)
<u>1,617,341</u>	<u>220,789</u>	<u>5,605,815</u>
<u>\$1,036,070</u>	<u>(\$28,902)</u>	<u>\$4,638,000</u>

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Jefferson County, Ohio
Agency Funds

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

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

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

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

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

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

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

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

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

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

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended December 31, 2002

	<u>Balance 12/31/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/02</u>
<i>Board of Health:</i>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$204,575	\$1,120,958	\$1,125,205	\$200,328
Total Assets	<u>\$204,575</u>	<u>\$1,120,958</u>	<u>\$1,125,205</u>	<u>\$200,328</u>
<u>Liabilities:</u>				
Undistributed Monies	\$204,575	\$1,120,958	\$1,125,205	\$200,328
Total Liabilities	<u>\$204,575</u>	<u>\$1,120,958</u>	<u>\$1,125,205</u>	<u>\$200,328</u>
<i>East Ohio Correction Center (EOCC):</i>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$112,729	\$3,105,247	\$2,996,699	\$221,277
Total Assets	<u>\$112,729</u>	<u>\$3,105,247</u>	<u>\$2,996,699</u>	<u>\$221,277</u>
<u>Liabilities:</u>				
Undistributed Monies	\$112,729	\$3,105,247	\$2,996,699	\$221,277
Total Liabilities	<u>\$112,729</u>	<u>\$3,105,247</u>	<u>\$2,996,699</u>	<u>\$221,277</u>
<i>Jefferson-Belmont Joint Solid Waste District:</i>				
<u>Assets:</u>				
Cash and Cash Equivalents	\$8,771	\$1,404,995	\$1,313,649	\$100,117
Receivables: Intergovernmental Receivable	1,827	0	1,827	0
Total Assets	<u>\$10,598</u>	<u>\$1,404,995</u>	<u>\$1,315,476</u>	<u>\$100,117</u>
<u>Liabilities:</u>				
Undistributed Monies	\$10,598	\$1,404,995	\$1,315,476	\$100,117
Total Liabilities	<u>\$10,598</u>	<u>\$1,404,995</u>	<u>\$1,315,476</u>	<u>\$100,117</u>

(Continued)

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2002

	<u>Balance 12/31/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/02</u>
<i>Taxes Agency:</i>				
<i>Assets:</i>				
Cash and				
Cash Equivalents	\$1,636,744	\$42,925,631	\$42,579,509	\$1,982,866
Receivables:				
Property Taxes	35,696,348	44,437,178	35,696,348	44,437,178
Permissive Sales Taxes	0	0	0	0
Accounts	369,903	350,440	369,903	350,440
Special Assessments	304,911	307,309	304,911	307,309
Intergovernmental	2,671,299	1,006,447	2,672,162	1,005,584
Total Assets	<u>\$40,679,205</u>	<u>\$89,027,005</u>	<u>\$81,622,833</u>	<u>\$48,083,377</u>
<i>Liabilities:</i>				
Due to Other Funds -				
Property Tax	\$0	\$0	\$0	\$0
Due to Other Funds -				
Permissive Tax	0	0	0	0
Due to Other Funds -				
Special Assessments	0	0	0	0
Due to Other Funds -				
Intergovernmental	0	0	0	0
Due to Other Funds - Accounts	0	0	0	0
Due to Other Funds - Other	0	0	0	0
Intergovernmental Payable	\$39,043,324	\$46,100,511	\$39,043,324	\$46,100,511
Undistributed Monies	1,635,881	42,926,494	42,579,509	1,982,866
Total Liabilities	<u>\$40,679,205</u>	<u>\$89,027,005</u>	<u>\$81,622,833</u>	<u>\$48,083,377</u>
<i>Undivided State Monies:</i>				
<i>Assets:</i>				
Cash and				
Cash Equivalents	\$25	\$3,182,020	\$3,182,045	\$0
Receivables:				
Intergovernmental	1,851,926	1,803,794	1,851,926	1,803,794
Total Assets	<u>\$1,851,951</u>	<u>\$4,985,814</u>	<u>\$5,033,971</u>	<u>\$1,803,794</u>
<i>Liabilities:</i>				
Due to Other Funds -				
Intergovernmental	\$0	\$0	\$0	\$0
Intergovernmental Payable	\$1,851,926	\$1,803,794	\$1,851,926	\$1,803,794
Undistributed Monies	25	3,182,020	3,182,045	0
Total Liabilities	<u>\$1,851,951</u>	<u>\$4,985,814</u>	<u>\$5,033,971</u>	<u>\$1,803,794</u>

(Continued)

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2002

	<u>Balance 12/31/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/02</u>
<i>Corporation - Subdivision:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$0	\$35,053,328	\$35,052,874	\$454
Total Assets	<u>\$0</u>	<u>\$35,053,328</u>	<u>\$35,052,874</u>	<u>\$454</u>
<u>Liabilities:</u>				
Undistributed Monies	\$0	\$35,053,328	\$35,052,874	\$454
Total Liabilities	<u>\$0</u>	<u>\$35,053,328</u>	<u>\$35,052,874</u>	<u>\$454</u>
 <i>Misc Court/Safety:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents	\$5,487	\$18,760	\$21,339	\$2,908
Cash and				
Cash Equivalents in				
Segregated Accounts	1,493,990	9,724,582	9,876,896	1,341,676
Receivables:				
Accounts Receivable	388,943	440,036	388,943	440,036
Total Assets	<u>\$1,888,420</u>	<u>\$10,183,378</u>	<u>\$10,287,178</u>	<u>\$1,784,620</u>
<u>Liabilities:</u>				
Due to Other Funds - Other	\$0	\$0	\$0	\$0
Due to Other Funds - Accounts	0	0	0	0
Intergovernmental Payable	\$388,943	\$273,125	\$388,943	\$273,125
Undistributed Monies	1,499,477	9,910,253	9,898,235	1,511,495
Total Liabilities	<u>\$1,888,420</u>	<u>\$10,183,378</u>	<u>\$10,287,178</u>	<u>\$1,784,620</u>
 <i>Other Agency Funds:</i>				
<u>Assets:</u>				
Cash and				
Cash Equivalents in	\$341,792	\$4,130,958	\$4,123,723	\$349,027
Receivables:				
Intergovernmental	1,932,390	1,813,977	1,932,390	1,813,977
Due From Other Funds -				
Other	0	0	0	0
Total Assets	<u>\$2,274,182</u>	<u>\$5,944,935</u>	<u>\$6,056,113</u>	<u>\$2,163,004</u>
<u>Liabilities:</u>				
Due to Other Funds - Other	\$0	\$0	\$0	\$0
Intergovernmental Payable	\$1,784,911	\$1,813,977	\$1,784,911	\$1,813,977
Undistributed Monies	489,271	4,130,958	4,271,202	349,027
Total Liabilities	<u>\$2,274,182</u>	<u>\$5,944,935</u>	<u>\$6,056,113</u>	<u>\$2,163,004</u>

(Continued)

Jefferson County, Ohio
Combining Statement of Changes in Assets and Liabilities
All Agency Funds (Continued)
For the Year Ended December 31, 2002

	<u>Balance 12/31/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/02</u>
<i>Total - All Agency Funds:</i>				
<i>Assets:</i>				
Cash and Cash Equivalents	\$2,310,123	\$90,941,897	\$90,395,043	\$2,856,977
Cash and Cash Equivalents in Segregated Accounts	1,493,990	9,724,582	9,876,896	1,341,676
Receivables:				
Property Taxes	35,696,348	44,437,178	35,696,348	44,437,178
Accounts	758,846	790,476	758,846	790,476
Special Assessments	304,911	307,309	304,911	307,309
Intergovernmental	6,457,442	4,624,218	6,458,305	4,623,355
Total Assets	<u>\$47,021,660</u>	<u>\$150,825,660</u>	<u>\$143,490,349</u>	<u>\$54,356,971</u>
<i>Liabilities:</i>				
Intergovernmental Payable	\$43,069,104	\$49,991,407	\$43,069,104	\$49,991,407
Undistributed Monies	3,952,556	100,834,253	100,421,245	4,365,564
Total Liabilities	<u>\$47,021,660</u>	<u>\$150,825,660</u>	<u>\$143,490,349</u>	<u>\$54,356,971</u>

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

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2002

	Final Budget	Actual	Variance Positive (Negative)
<u>Revenues:</u>			
Taxes	\$2,102,689	\$2,102,689	\$0
Permissive Taxes	3,964,602	3,964,602	0
Charges for Services	2,366,341	2,366,341	0
Licenses and Permits	4,685	4,685	0
Fines and Forfeitures	450,134	450,134	0
Intergovernmental	2,364,070	2,364,070	0
Rent	1,650	1,650	0
Interest	382,103	382,103	0
Other	365,560	365,560	0
Total Revenues	12,001,834	12,001,834	0
<u>Expenditures:</u>			
Current:			
General Government -			
Legislative and Executive			
Commissioners			
Personal Services	412,859	412,095	764
Materials and Supplies	14,199	13,871	328
Other	19,868	15,637	4,231
Total Commissioners	446,926	441,603	5,323
Auditor			
Personal Services	573,724	565,030	8,694
Materials and Supplies	21,777	18,657	3,120
Contractual Services	10,114	10,110	4
Other	18,187	17,687	500
Total Auditor	623,802	611,484	12,318
Permissive Sales Tax			
Materials and Supplies	69,896	34,546	35,350
Contractual Services	176,828	126,130	50,698
Capital Outlay	144,641	52,932	91,709
Other	302,123	25,409	276,714
Total Permissive Sales Tax	693,488	239,017	454,471
Treasurer			
Personal Services	243,097	243,087	10
Materials and Supplies	14,242	14,242	0
Contractual Services	14,928	14,929	(1)
Other	883	883	0
Total Treasurer	273,150	273,141	9

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Prosecuting Attorney			
Personal Services	\$725,728	\$725,718	\$10
Materials and Supplies	13,696	12,367	1,329
Contractual Services	33,135	32,385	750
Other	128,918	122,857	6,061
	<u>901,477</u>	<u>893,327</u>	<u>8,150</u>
Total Prosecuting Attorney			
Budget Commission			
Other	516	516	0
	<u>516</u>	<u>516</u>	<u>0</u>
Bureau of Inspection			
Contractual Services	81,761	81,761	0
	<u>81,761</u>	<u>81,761</u>	<u>0</u>
County Planning Commission			
Contractual Services	84,619	84,619	0
Other	38,224	38,224	0
	<u>122,843</u>	<u>122,843</u>	<u>0</u>
Total County Planning Commission			
Data Processing			
Personal Services	335,482	335,443	39
Materials and Supplies	2,743	2,709	34
Contractual Services	2,965	2,965	0
Other	707	631	76
	<u>341,897</u>	<u>341,748</u>	<u>149</u>
Total Data Processing			
Data Processing Central Purchasing			
Capital Outlay	263,685	228,765	34,920
	<u>263,685</u>	<u>228,765</u>	<u>34,920</u>
Board of Elections			
Personal Services	397,021	397,000	21
Materials and Supplies	20,186	20,186	0
Contractual Services	189,880	189,880	0
Other	10,415	10,416	(1)
	<u>617,502</u>	<u>617,482</u>	<u>20</u>
Total Board of Elections			
Recorder			
Personal Services	233,305	233,306	(1)
Materials and Supplies	1,842	1,566	276
Other	3,302	2,709	593
	<u>238,449</u>	<u>237,581</u>	<u>868</u>
Total Recorder			

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Buildings and Grounds			
Personal Services	\$396,483	\$393,641	\$2,842
Materials and Supplies	14,604	13,175	1,429
Contractual Services	346,954	346,475	479
Capital Outlay	83,691	83,691	0
Other	125,059	125,026	33
	<u>966,791</u>	<u>962,008</u>	<u>4,783</u>
Insurance			
Contractual Service	135,180	135,180	0
	<u>135,180</u>	<u>135,180</u>	<u>0</u>
Total General Government - Legislative and Executive	<u>5,707,467</u>	<u>5,186,456</u>	<u>521,011</u>
General Government - Judicial			
Court of Appeals			
Other	14,785	14,785	0
	<u>14,785</u>	<u>14,785</u>	<u>0</u>
Common Pleas			
Personal Services	311,700	311,700	0
Materials and Supplies	25,769	23,980	1,789
Contractual Services	219,437	217,670	1,767
Other	9,161	6,289	2,872
	<u>566,067</u>	<u>559,639</u>	<u>6,428</u>
Jury Commission			
Personal Services	1,200	1,200	0
	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Adult Probation			
Personal Services	125,602	125,598	4
Materials and Supplies	375	275	100
Contractual Services	5,591	5,496	95
	<u>131,568</u>	<u>131,369</u>	<u>199</u>
Capital Felony			
Contractual Services	99,248	98,048	1,200
	<u>99,248</u>	<u>98,048</u>	<u>1,200</u>
Juvenile Court			
Personal Services	713,041	711,569	1,472
Materials and Supplies	19,758	19,758	0
Contractual Services	155,718	155,718	0
Capital Outlay	3,916	3,916	0
Other	119,015	119,015	0
	<u>1,011,448</u>	<u>1,009,976</u>	<u>1,472</u>
Total Juvenile Court	<u>1,011,448</u>	<u>1,009,976</u>	<u>1,472</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
County Court #2			
Personal Services	\$120,854	\$120,854	\$0
Materials and Supplies	3,931	3,931	0
Contractual Services	35,211	35,211	0
Other	2,110	2,110	0
	<u>162,106</u>	<u>162,106</u>	<u>0</u>
Total County Court #2			
County Court #3			
Personal Services	122,213	122,213	0
Materials and Supplies	4,367	4,367	0
Contractual Services	36,217	35,940	277
Other	2,885	2,885	0
	<u>165,682</u>	<u>165,405</u>	<u>277</u>
Total County Court #3			
Probate Court			
Personal Services	298,910	281,609	17,301
Materials and Supplies	9,603	9,603	0
Contractual Services	0	0	0
Other	5,765	5,765	0
	<u>314,278</u>	<u>296,977</u>	<u>17,301</u>
Total Probate Court			
Clerk of Courts			
Personal Services	360,264	358,546	1,718
Materials and Supplies	9,988	9,988	0
Contractual Services	9,768	9,768	0
Other	1,442	1,442	0
	<u>381,462</u>	<u>379,744</u>	<u>1,718</u>
Total Clerk of Courts			
County Court			
Personal Services	149,801	147,471	2,330
Materials and Supplies	3,899	3,899	0
Contractual Services	37,979	37,957	22
Other	518	518	0
	<u>192,197</u>	<u>189,845</u>	<u>2,352</u>
Total County Court			
Municipal Court			
Personal Services	97,377	90,508	6,869
Contractual Services	47,733	47,733	0
	<u>145,110</u>	<u>138,241</u>	<u>6,869</u>
Total Municipal Court			

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Law Library			
Personal Services	\$36,082	\$36,082	\$0
Court Magistrate			
Personal Services	\$149,860	\$149,860	\$0
Materials and Supplies	2,241	1,741	500
Contractual Services	2,886	1,886	1,000
Capital Outlay	0	0	0
Other	7,379	7,329	50
Total Court Magistrate	<u>162,366</u>	<u>160,816</u>	<u>1,550</u>
Total General Government - Judicial	<u>3,383,599</u>	<u>3,344,233</u>	<u>39,366</u>
Public Safety			
Coroner			
Personal Services	85,546	85,546	0
Materials and Supplies	38	0	38
Contractual Services	<u>13,097</u>	<u>13,097</u>	<u>0</u>
Total Juvenile Probation	<u>98,681</u>	<u>98,643</u>	<u>38</u>
Jail Settlement			
Contractual Services	15,619	15,619	0
Capital Outlay	<u>1,845</u>	<u>1,845</u>	<u>0</u>
Total Jail Settlement	<u>17,464</u>	<u>17,464</u>	<u>0</u>
Total Public Safety	<u>116,145</u>	<u>116,107</u>	<u>38</u>
Health			
Humane Society			
Personal Services	90	90	0
Other	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Total Humane Society	<u>10,090</u>	<u>10,090</u>	<u>0</u>
Agriculture			
Contractual Services	<u>270,405</u>	<u>270,405</u>	<u>0</u>
Vital Statistics			
Contractual Services	<u>1,370</u>	<u>1,370</u>	<u>0</u>
Total Health	<u>281,865</u>	<u>281,865</u>	<u>0</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Human Services			
Veteran's Services			
Personal Services	\$170,830	\$168,173	\$2,657
Materials and Supplies	2,900	3,036	(136)
Contractual Services	191,150	174,557	16,593
Other	38,303	38,167	136
Total Veteran's Services	<u>403,183</u>	<u>383,933</u>	<u>19,250</u>
Public Assistance			
Contractual Services	<u>512,898</u>	<u>512,898</u>	<u>0</u>
Total Human Services	<u>916,081</u>	<u>896,831</u>	<u>19,250</u>
Other			
Contractual Services	139,654	139,654	0
Other	<u>430,025</u>	<u>429,773</u>	<u>252</u>
Total Other	<u>569,679</u>	<u>569,427</u>	<u>252</u>
Intergovernmental:			
Grants			
Contractual Services	<u>61,000</u>	<u>53,000</u>	<u>8,000</u>
Total Intergovernmental	<u>61,000</u>	<u>53,000</u>	<u>8,000</u>
Total Expenditures	<u>11,035,836</u>	<u>10,447,919</u>	<u>587,917</u>
Excess of Revenues Over Expenditures	<u>965,998</u>	<u>1,553,915</u>	<u>587,917</u>
<u>Other Financing Sources (Uses):</u>			
Sale of Fixed Assets	180,000	180,000	0
Advance In	101,929	101,929	0
Advance Out	(181,929)	(181,929)	0
Operating Transfers - Out	<u>(2,394,596)</u>	<u>(2,333,184)</u>	<u>61,412</u>
Total Other Financing Sources (Uses)	<u>(2,294,596)</u>	<u>(2,233,184)</u>	<u>61,412</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund (Continued)
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Net Change in Fund Balance	(\$1,328,598)	(\$679,269)	\$649,329
Fund Balance at Beginning of Year	1,852,420	1,852,420	0
Prior Year Encumbrances Appropriated	<u>156,220</u>	<u>156,220</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$680,042</u></u>	<u><u>\$1,329,371</u></u>	<u><u>\$649,329</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$10,832,041	\$10,832,041	\$0
Other	551,077	551,077	0
Total Revenues	<u>11,383,118</u>	<u>11,383,118</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Human Services			
Public Assistance			
Personal Services	4,238,574	4,219,169	19,405
Materials and Supplies	193,500	184,055	9,445
Contractual Services	6,756,553	6,344,486	412,067
Capital Outlay	408,000	395,627	12,373
Other	86,000	78,747	7,253
Total Expenditures	<u>11,682,627</u>	<u>11,222,084</u>	<u>460,543</u>
Net Change in Fund Balance	(299,509)	161,034	460,543
Fund Balance at Beginning of Year	<u>1,003,289</u>	<u>1,003,289</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$703,780</u></u>	<u><u>\$1,164,323</u></u>	<u><u>\$460,543</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Permissive Taxes	\$2,339,393	\$2,339,393	\$0
Licenses and Permits	362,902	362,902	0
Fines and Forfeitures	86,920	86,920	0
Intergovernmental	3,317,790	5,096,355	1,778,565
Interest	2,248	2,248	0
Other	61,857	61,857	0
Total Revenues	<u>6,171,110</u>	<u>7,949,675</u>	<u>1,778,565</u>
<u>Expenditures:</u>			
Current:			
Public Works			
Motor Vehicle and Gasoline Tax			
Personal Services	2,685,577	2,669,209	16,368
Materials and Supplies	846,522	806,372	40,150
Contractual Services	244,562	234,035	10,527
Capital Outlay	1,229,083	2,991,877	(1,762,794)
Other	401,403	376,159	25,244
Total Expenditures	<u>5,407,147</u>	<u>7,077,652</u>	<u>(1,670,505)</u>
Excess of Revenues Over Expenditures	<u>763,963</u>	<u>872,023</u>	<u>108,060</u>
<u>Other Financing Uses:</u>			
Operating Transfers Out	(564,017)	(564,017)	0
Net Change in Fund Balance	199,946	308,006	108,060
Fund Balance at Beginning of Year	239,949	239,949	0
Prior Year Encumbrances Appropriated	67,844	67,844	0
Fund Balance at End of Year	<u>\$507,739</u>	<u>\$615,799</u>	<u>\$108,060</u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Health Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Taxes	\$386,943	\$386,943	\$0
Intergovernmental	6,015,645	6,015,645	0
Rent	55,650	55,650	0
Other	83,774	83,774	0
Total Revenues	<u>6,542,012</u>	<u>6,542,012</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Health			
Mental Health			
Personal Services	335,520	307,440	28,080
Materials and Supplies	10,600	9,503	1,097
Contractual Services	5,979,642	5,973,142	6,500
Capital Outlay	36,000	11,857	24,143
Other	160,820	132,710	28,110
Total Mental Health	<u>6,522,582</u>	<u>6,434,652</u>	<u>87,930</u>
Therapeutic Foster Care			
Personal Services	45,870	45,870	0
Contractual Services	51,674	51,674	0
Other	73	73	0
Total Therapeutic Foster Care	<u>97,617</u>	<u>97,617</u>	<u>0</u>
Total Expenditures	<u>6,620,199</u>	<u>6,532,269</u>	<u>87,930</u>
Net Change in Fund Balance	(78,187)	9,743	87,930
Fund Balance at Beginning of Year	<u>1,442,116</u>	<u>1,442,116</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$1,363,929</u></u>	<u><u>\$1,451,859</u></u>	<u><u>\$87,930</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation and Developmental Disabilities Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Taxes	\$3,214,622	\$3,214,622	\$0
Charges for Services	220,270	220,270	0
Intergovernmental	4,727,154	4,727,154	0
Other	41,270	41,270	0
Total Revenues	<u>8,203,316</u>	<u>8,203,316</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Health			
Mental Retardation and Developmental Disabilities			
Personal Services	7,294,945	7,165,501	129,444
Materials and Supplies	543,768	436,514	107,254
Contractual Services	1,054,146	670,007	384,139
Other	121,474	67,522	53,952
Total Health	<u>9,014,333</u>	<u>8,339,544</u>	<u>674,789</u>
Excess of Revenues Under Expenditures	(811,017)	(136,228)	674,789
<u>Other Financing Uses:</u>			
Operating Transfers Out	<u>(100,000)</u>	<u>(100,000)</u>	<u>0</u>
Net Change in Fund Balance	(911,017)	(236,228)	674,789
Fund Balance at Beginning of Year	1,314,204	1,314,204	0
Prior Year Encumbrances Appropriated	<u>116,621</u>	<u>116,621</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$519,808</u></u>	<u><u>\$1,194,597</u></u>	<u><u>\$674,789</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Jail Operating Levy Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Taxes	\$1,398,442	\$1,398,442	\$0
Charges for Services	1,124,704	1,124,704	0
Intergovernmental	1,065,356	1,065,356	0
Total Revenues	<u>3,588,502</u>	<u>3,588,502</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Public Safety			
Jail Operating Levy			
Personal Services	3,443,645	3,443,617	28
Materials and Supplies	409,029	409,029	0
Contractual Services	633,747	631,881	1,866
Capital Outlay	17,355	17,355	0
Other	40,065	41,115	(1,050)
Total Expenditures	<u>4,543,841</u>	<u>4,542,997</u>	<u>844</u>
Excess of Revenues Under Expenditures	(955,339)	(954,495)	844
<u>Other Financing Sources:</u>			
Operating Transfers In	654,611	654,611	0
Net Change in Fund Balance	(300,728)	(299,884)	844
Fund Balance at Beginning of Year	<u>(2,302,861)</u>	<u>(2,302,861)</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$2,603,589)</u></u>	<u><u>(\$2,602,745)</u></u>	<u><u>\$844</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Jail Construction Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Total Revenues	\$0	\$0	\$0
<u>Expenditures:</u>			
Capital Outlay			
Jail Construction			
Contractual Services	227,860	210,054	17,806
Debt Service			
Principal Retirement	3,995,433	3,995,433	0
Interest and Fiscal Charges	119,863	119,863	0
Total Debt Services	4,115,296	4,115,296	0
Total Expenditures	4,343,156	4,325,350	17,806
Excess of Revenues Under Expenditures	(4,343,156)	(4,325,350)	17,806
<u>Other Financing Sources:</u>			
Proceeds of Notes	4,115,296	4,115,296	0
Operating Transfers In	200,000	200,000	0
Total Other Financing Sources	4,315,296	4,315,296	0
Net Change in Fund Balance	(27,860)	(10,054)	17,806
Fund Balance at Beginning of Year	31,413	31,413	0
Fund Balance at End of Year	<u>\$3,553</u>	<u>\$21,359</u>	<u>\$17,806</u>

Jefferson County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Sewer Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$902,581	\$902,581	\$0
Special Assessments	29,063	29,063	0
Capital Grants	443,448	443,448	0
Permissive Taxes	53,231	53,231	0
Proceeds of Notes	2,759,912	2,759,912	0
Total Revenues	<u>4,188,235</u>	<u>4,188,235</u>	<u>0</u>
<u>Expenses:</u>			
Personal Services	272,990	233,017	39,973
Contractual Services	208,410	208,410	0
Materials and Supplies	90,901	88,546	2,355
Capital Outlay	811,380	459,748	351,632
Debt Service:			
Principal Retirement	3,598,264	3,598,264	0
Interest and Fiscal Charges	233,765	233,765	0
Total Expenses	<u>5,215,710</u>	<u>4,821,750</u>	<u>393,960</u>
Excess of Revenues Under Expenses	(1,027,475)	(633,515)	393,960
Operating Transfers In	15,000	15,000	0
Operating Transfers Out	<u>(155,663)</u>	<u>0</u>	<u>(155,663)</u>
Net Change in Fund Equity	(1,168,138)	(618,515)	549,623
Fund Equity at Beginning of Year	1,665,443	1,665,443	0
Prior Year Encumbrances Appropriated	<u>32,473</u>	<u>32,473</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$529,778</u></u>	<u><u>\$1,079,401</u></u>	<u><u>\$549,623</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Water Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$3,640,629	\$3,640,629	\$0
Tap-In Fees	9,000	9,000	0
Interest Income	16,117	16,117	0
Permissive Taxes	159,691	159,691	0
Other Non-Operating Revenue	2,558	2,558	0
Proceeds of Notes	2,442,948	2,442,948	0
Total Revenues	<u>6,270,943</u>	<u>6,270,943</u>	<u>0</u>
<u>Expenses:</u>			
Personal Services	932,268	907,322	24,946
Contractual Services	1,584,268	1,575,297	8,971
Materials and Supplies	217,526	222,669	(5,143)
Other Non-Operating Expenses	0	0	0
Other Operating Expenses	13,340	13,373	(33)
Capital Outlay	167,155	132,115	35,040
Debt Service:			
Principal Retirement	3,103,220	3,103,220	0
Interest and Fiscal Charges	341,765	341,765	0
Total Expenses	<u>6,359,542</u>	<u>6,295,761</u>	<u>63,781</u>
Net Change in Fund Equity	(88,599)	(24,818)	63,781
Fund Equity at Beginning of Year	1,076,258	1,076,258	0
Prior Year Encumbrances Appropriated	<u>26,373</u>	<u>26,373</u>	<u>0</u>
Fund Equity at End of Year	<u><u>\$1,014,032</u></u>	<u><u>\$1,077,813</u></u>	<u><u>\$63,781</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Local Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services	\$1,007,300	\$1,007,300	\$0
Licenses and Permits	332,582	332,582	0
Fines and Forfeitures	12,821	12,821	0
Intergovernmental	1,780,539	1,780,539	0
Interest	1,099	1,099	0
Rent	935	935	0
Other	94,745	94,745	0
Total Revenues	<u>3,230,021</u>	<u>3,230,021</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
General Government -			
Legislative and Executive			
Certificate of Auto Title			
Personal Services	245,751	236,612	9,139
Materials and Supplies	14,682	10,888	3,794
Contractual Services	4,000	1,406	2,594
Other	9,000	7,658	1,342
Total Certificate of Auto Title	<u>273,433</u>	<u>256,564</u>	<u>16,869</u>
Real Estate Assessment			
Personal Services	231,563	212,131	19,432
Materials and Supplies	15,000	10,920	4,080
Contractual Services	300,000	211,127	88,873
Other	30,000	9,040	20,960
Total Real Estate Assessment	<u>576,563</u>	<u>443,218</u>	<u>133,345</u>
Delinquent Real/Assess Collection			
Personal Services	120,872	120,851	21
Materials and Supplies	1,173	1,173	0
Contractual Services	53,044	53,044	0
Other	1,065	1,065	0
Total Delinquent Real/Assess Collection	<u>176,154</u>	<u>176,133</u>	<u>21</u>
Equipment Recorders Supply			
Materials and Supplies	\$3,397	\$2,173	\$1,224
Contractual Services	23,124	16,618	6,506
Capital Outlay	62,500	65	62,435
Total Equipment Recorders Supply	<u>89,021</u>	<u>18,856</u>	<u>70,165</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Local Fund (Continued)
For the Year Ended December 31, 2002

	Final Budget	Actual	Variance Positive (Negative)
Geographic Info System			
Materials and Supplies	\$20,775	\$284	\$20,491
Contractual Services	539,358	181,395	357,963
Capital Outlay	75,595	27,784	47,811
Other	30,000	0	30,000
Total Geographic Info System	665,728	209,463	456,265
Total General Government - Legislative and Executive	1,780,899	1,104,234	676,665
Public Works			
Beautification			
Personal Services	199,754	199,556	198
Materials and Supplies	5,467	4,625	842
Contractual Services	18,271	18,271	0
Other	30,245	25,819	4,426
Total Beautification	253,737	248,271	5,466
Total Public Works	253,737	248,271	5,466
Economic Development and Assistance			
Airpark			
Personal Services	90,218	89,879	339
Materials and Supplies	98,223	86,604	11,619
Contractual Services	407,152	236,896	170,256
Other	21,226	13,703	7,523
Total Airpark	616,819	427,082	189,737
Total Economic Development and Assistance	616,819	427,082	189,737
Health			
Dog and Kennel			
Personal Services	\$140,366	\$140,366	\$0
Materials and Supplies	10,080	9,287	793
Other	12,138	11,240	898
Total Dog and Kennel	162,584	160,893	1,691
Total Health	162,584	160,893	1,691

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Miscellaneous Local Fund (Continued)
For the Year Ended December 31, 2002

	Final Budget	Actual	Variance Positive (Negative)
Human Services			
Child Support Enforcement Agency			
Personal Services	\$886,639	\$843,309	\$43,330
Materials and Supplies	10,000	4,190	5,810
Contractual Services	829,500	768,372	61,128
Other	12,500	3,831	8,669
Total Child Support Enforcement Agency	<u>1,738,639</u>	<u>1,619,702</u>	<u>118,937</u>
Total Human Services	<u>1,738,639</u>	<u>1,619,702</u>	<u>118,937</u>
Total Expenditures	<u>4,552,678</u>	<u>3,560,182</u>	<u>992,496</u>
Excess of Revenues Under Expenditures	(1,322,657)	(330,161)	992,496
<u>Other Financing Sources (Uses):</u>			
Advances Out	(10,000)	(10,000)	0
Operating Transfers In	336,398	336,398	0
Operating Transfers Out	(182,106)	(174,102)	8,004
Total Other Financing Sources (Uses)	<u>144,292</u>	<u>152,296</u>	<u>8,004</u>
Net Change in Fund Balance	(1,178,365)	(177,865)	1,000,500
Fund Balance at Beginning of Year	1,379,252	1,379,252	0
Prior Year Encumbrances Appropriated	<u>480,643</u>	<u>480,643</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$681,530</u></u>	<u><u>\$1,682,030</u></u>	<u><u>\$1,000,500</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Taxes	\$954,095	\$954,095	\$0
Charges for Services	190,685	190,685	0
Fines and Forfeitures	7,731	7,731	0
Intergovernmental	1,112,378	1,112,378	0
Rent	19,680	19,680	0
Other	4,794	4,794	0
Total Revenues	<u>2,289,363</u>	<u>2,289,363</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
General Government - Judicial			
County Probation Services			
Materials and Supplies	5,000	1,620	3,380
Contractual Services	10,000	3,432	6,568
Capital Outlay	10,000	4,288	5,712
Total County Probation Services	<u>25,000</u>	<u>9,340</u>	<u>15,660</u>
Conduct of Business			
Other	525	525	0
Total Conduct of Business	<u>525</u>	<u>525</u>	<u>0</u>
Court Computer			
Contractual Services	60,000	30,966	29,034
Total Court Computer	<u>60,000</u>	<u>30,966</u>	<u>29,034</u>
Indigent Drivers Alcohol Treatment			
Contractual Services	\$1,200	\$1,200	\$0
Total Indigent Drivers Alcohol Treatment	<u>1,200</u>	<u>1,200</u>	<u>0</u>
Indigent Guardianship			
Contractual Services	13,300	12,635	665
Total Indigent Guardianship	<u>13,300</u>	<u>12,635</u>	<u>665</u>
Juvenile Court Computer			
Other	4,000	3,700	300
Total Juvenile Court Computer	<u>4,000</u>	<u>3,700</u>	<u>300</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2002

	Final Budget	Actual	Variance Positive (Negative)
Juvenile Computer Equipment			
Capital Outlay	\$10,000	\$5,511	\$4,489
Total Juvenile Computer Equipment	10,000	5,511	4,489
Probate Court Computer			
Contractual Services	686	686	0
Total Probate Court Computer	686	686	0
Probate Computer Equipment			
Materials and Supplies	997	997	0
Contractual Services	10,219	10,219	0
Capital Outlay	1,499	1,499	0
Total Probate Computer Equipment	12,715	12,715	0
Clerk of Courts			
Contractual Services	\$8,537	\$8,537	\$0
Total Clerk of Courts	8,537	8,537	0
Common Pleas Court Computer			
Contractual Services	7,500	620	6,880
Total Common Pleas Court Computer	7,500	620	6,880
Total General Government - Judicial	143,463	86,435	57,028
Public Safety			
Juvenile Probation Fees			
Personal Services	0	0	0
Materials and Supplies	0	0	0
Contractual Services	0	0	0
Other	4,108	4,108	0
Total Juvenile Probation Fees	4,108	4,108	0
Juvenile Incentive Block Grant			
Personal Services			
Materials and Supplies			
Contractual Services	9,877	9,877	0
Capital Outlay	27,858	27,858	0
Total Juvenile Incentive Block Grant	37,735	37,735	0

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2002

	Final Budget	Actual	Variance Positive (Negative)
Mediation II			
Personal Services			
Materials and Supplies			
Contractual Services	\$114,379	\$114,379	\$0
Capital Outlay	12,400	12,400	0
Other	29,955	29,955	0
Total Mediation II	156,734	156,734	0
Mediation Juvenile Program			
Contractual Services	\$91,911	\$3,200	\$88,711
Capital Outlay	2,209	2,209	0
Total Mediation Juvenile Program	94,120	5,409	88,711
FEL DELQ Care and Custody			
Personal Services	347,495	262,821	84,674
Materials and Supplies	2,791	2,093	698
Contractual Services	292,418	248,581	43,837
Other	34,582	29,143	5,439
Total FEL DELQ Care and Custody	677,286	542,638	134,648
Sexual Offender Treatment Program			
Materials and Supplies	1,100	1,073	27
Contractual Services	19,138	14,767	4,371
Capital Outlay	5,614	5,614	0
Other	11,812	10,812	1,000
Total Sexual Offender Treatment Program	37,664	32,266	5,398
Crime Victims Assistance Office			
Personal Services	51,044	50,947	97
Total Crime Victims Assistance Office	51,044	50,947	97
Status Offender Program			
Contractual Services	12,000	0	12,000
Other	500	0	500
Total Status Offender Program	12,500	0	12,500
Anti Drug Abuse Coalition			
Other	\$4,590	\$4,571	\$19
Total Anti Drug Abuse Coalition	4,590	4,571	19

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2002

	Final Budget	Actual	Variance Positive (Negative)
Community Corrections Act			
Personal Services	\$60,929	\$60,269	\$660
Materials and Supplies	136	71	65
Contractual Services	711	711	0
Other	2,266	2,266	0
Total Community Corrections Act	<u>64,042</u>	<u>63,317</u>	<u>725</u>
Prisoner Incentive			
Capital Outlay	9,517	9,517	0
Total Prisoner Incentive	<u>9,517</u>	<u>9,517</u>	<u>0</u>
Law Enforcement Block Grant			
Capital Outlay	9,666	9,666	0
Total Law Enforcement Block Grant	<u>9,666</u>	<u>9,666</u>	<u>0</u>
Law Enforcement Trust			
Other	5,022	5,022	0
Total Law Enforcement Trust	<u>5,022</u>	<u>5,022</u>	<u>0</u>
Emergency 911			
Personal Services	\$581,932	\$579,543	\$2,389
Materials and Supplies	2,977	2,977	0
Contractual Services	139,212	139,212	0
Capital Outlay	18,763	18,763	0
Other	26,375	26,375	0
Total Emergency 911	<u>769,259</u>	<u>766,870</u>	<u>2,389</u>
Total Public Safety	<u>1,933,287</u>	<u>1,688,800</u>	<u>244,487</u>
Total Expenditures	<u>2,076,750</u>	<u>1,775,235</u>	<u>301,515</u>
Excess of Revenues Over Expenditures	212,613	514,128	301,515
<u>Other Financing Sources (Uses):</u>			
Advances In	181,929	181,929	0
Advances Out	(91,929)	(91,929)	0
Operating Transfers In	13,676	13,676	0
Operating Transfers Out	(336,743)	(336,743)	0
Total Other Financing Sources (Uses)	<u>(233,067)</u>	<u>(233,067)</u>	<u>0</u>

(Continued)

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Court/Corrections and Public Safety Fund (Continued)
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Net Change in Fund Balance	(\$20,454)	\$281,061	\$301,515
Fund Balance at Beginning of Year	557,536	557,536	0
Prior Year Encumbrances Appropriated	<u>66</u>	<u>66</u>	<u>0</u>
Fund Balance at End of Year	<u>\$537,148</u>	<u>\$838,663</u>	<u>\$301,515</u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permissive Sheriff Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Permissive Taxes	\$1,137,811	\$1,137,811	\$0
Charges for Services	159,154	159,154	0
Intergovernmental	35,973	35,973	0
Other	37,379	37,379	0
Total Revenues	<u>1,370,317</u>	<u>1,370,317</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Public Safety			
Permissive Sheriff			
Personal Services	2,157,462	2,152,097	5,365
Materials and Supplies	75,075	74,732	343
Contractual Services	62,000	60,941	1,059
Capital Outlay	62,677	62,602	75
Other	50,354	50,210	144
Total Expenditures	<u>2,407,568</u>	<u>2,400,582</u>	<u>6,986</u>
Excess of Revenues Under Expenditures	(1,037,251)	(1,030,265)	6,986
<u>Other Financing Sources (Uses):</u>			
Operating Transfers In	1,045,470	1,045,470	0
Operating Transfers Out	(967)	(967)	0
Total Other Financing Sources (Uses)	<u>1,044,503</u>	<u>1,044,503</u>	<u>0</u>
Net Change in Fund Balance	7,252	14,238	6,986
Fund Balance at Beginning of Year	<u>(1,311,708)</u>	<u>(1,311,708)</u>	<u>0</u>
Fund Balance at End of Year	<u><u>(\$1,304,456)</u></u>	<u><u>(\$1,297,470)</u></u>	<u><u>\$6,986</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Tuberculosis/Crippled Child Levy Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Taxes	\$202,710	\$202,710	\$0
Intergovernmental	87,437	87,437	0
Other	33	33	0
Total Revenues	<u>290,180</u>	<u>290,180</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Health			
Tuberculosis Levy			
Materials and Supplies	3,110	0	3,110
Contractual Services	84,776	78,003	6,773
Total Tuberculosis Levy	<u>87,886</u>	<u>78,003</u>	<u>9,883</u>
Crippled Child Levy			
Other	68,398	68,398	0
Total Crippled Child Levy	<u>68,398</u>	<u>68,398</u>	<u>0</u>
Total Expenditures	<u>156,284</u>	<u>146,401</u>	<u>9,883</u>
Net Change in Fund Balance	133,896	143,779	9,883
Fund Balance at Beginning of Year	2,367,721	2,367,721	0
Prior Year Encumbrances Appropriated	3,110	3,110	0
Fund Balance at End of Year	<u><u>\$2,504,727</u></u>	<u><u>\$2,514,610</u></u>	<u><u>\$9,883</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Children Services Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Taxes	\$906,165	\$906,165	\$0
Charges for Services	19,433	19,433	0
Intergovernmental	4,055,901	4,055,901	0
Other	135,013	135,013	0
Total Revenues	<u>5,116,512</u>	<u>5,116,512</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Human Services			
Wellness Block Grant			
Contractual Services	120,000	117,905	2,095
Total Wellness Block Grant	<u>120,000</u>	<u>117,905</u>	<u>2,095</u>
Children Services Levy			
Personal Services	2,990,894	2,787,214	203,680
Materials and Supplies	65,117	57,235	7,882
Contractual Services	2,157,052	1,934,388	222,664
Capital Outlay	14,856	4,701	10,155
Other	274,100	153,985	120,115
Total Children Services Levy	<u>5,502,019</u>	<u>4,937,523</u>	<u>564,496</u>
Preschool Grant			
Personal Services	10,127	9,330	797
Total Preschool Grant	<u>10,127</u>	<u>9,330</u>	<u>797</u>
JCCSB Welcome Home			
Contractual Services	300,000	273,869	26,131
Total JCCSB Welcome Home	<u>300,000</u>	<u>273,869</u>	<u>26,131</u>
Total Human Services	<u>5,932,146</u>	<u>5,338,627</u>	<u>593,519</u>
Net Change in Fund Balance	(815,634)	(222,115)	593,519
Fund Balance at Beginning of Year	1,057,037	1,057,037	0
Prior Year Encumbrances Appropriated	13,070	13,070	0
Fund Balance at End of Year	<u>\$254,473</u>	<u>\$847,992</u>	<u>\$593,519</u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Community Development Block Grant Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$824,944	\$824,944	\$0
Other	4,750	4,750	0
Total Revenues	<u>829,694</u>	<u>829,694</u>	<u>0</u>
<u>Expenditures:</u>			
Current:			
Economic Development and Assistance Community Development Block Grant			
Contractual Services	422,760	422,760	0
Capital Outlay	560,408	560,408	0
Other	49,412	49,412	0
Total Expenditures	<u>1,032,580</u>	<u>1,032,580</u>	<u>0</u>
Net Change in Fund Balance	(202,886)	(202,886)	0
Fund Balance at Beginning of Year	<u>218,432</u>	<u>218,432</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$15,546</u></u>	<u><u>\$15,546</u></u>	<u><u>\$0</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Debt Service Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Taxes	\$1,029,017	\$1,029,017	\$0
Permissive Taxes	993,634	993,634	0
Intergovernmental	102,232	102,232	0
Rent	350,136	350,136	0
Total Revenues	<u>2,475,019</u>	<u>2,475,019</u>	<u>0</u>
<u>Expenditures:</u>			
Debt Service			
Principal Retirement	1,899,515	1,899,515	0
Interest and Fiscal Charges	1,449,161	1,448,862	299
Total Debt Service	<u>3,348,676</u>	<u>3,348,377</u>	<u>299</u>
Excess of Revenues Under Expenditures	(873,657)	(873,358)	299
<u>Other Financing Sources:</u>			
Operating Transfers In	<u>1,143,858</u>	<u>1,143,858</u>	<u>0</u>
Net Change in Fund Balance	270,201	270,500	299
Fund Balance at Beginning of Year	<u>1,829,081</u>	<u>1,829,081</u>	<u>0</u>
Fund Balance at End of Year	<u><u>\$2,099,282</u></u>	<u><u>\$2,099,581</u></u>	<u><u>\$299</u></u>

Jefferson County, Ohio
Schedule of Revenues, Expenditures and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Permanent Improvement Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Intergovernmental	\$84,232	\$84,232	\$0
Other	5,000	5,000	0
Total Revenues	<u>89,232</u>	<u>89,232</u>	<u>0</u>
<u>Expenditures:</u>			
Capital Outlay			
Mental Retardation	188,279	114,345	73,934
Mental Health	88,696	7,888	80,808
Total Capital Outlay	<u>276,975</u>	<u>122,233</u>	<u>154,742</u>
Debt Service			
Principal Retirement	370,723	370,723	0
Interest and Fiscal Charges	11,122	11,122	0
Total Debt Services	<u>381,845</u>	<u>381,845</u>	<u>0</u>
Total Expenditures	<u>658,820</u>	<u>504,078</u>	<u>154,742</u>
Excess of Revenues Under Expenditures	(569,588)	(414,846)	154,742
<u>Other Financing Sources:</u>			
Proceeds of Notes	381,845	381,845	0
Operating Transfers In	100,000	100,000	0
Total Other Financing Sources	<u>481,845</u>	<u>481,845</u>	<u>0</u>
Net Change in Fund Balance	(87,743)	66,999	154,742
Fund Balance at Beginning of Year	397,604	397,604	0
Prior Year Encumbrances Appropriated	<u>7,279</u>	<u>7,279</u>	<u>0</u>
Fund Balance at End of Year	<u>\$317,140</u>	<u>\$471,882</u>	<u>\$154,742</u>

Jefferson County, Ohio
Schedule of Revenues, Expenses and Changes
In Fund Equity - Budget (Non-GAAP Basis) and Actual
Self Insurance Fund
For the Year Ended December 31, 2002

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<u>Revenues:</u>			
Charges for Services - Health Benefits	\$6,871,813	\$6,871,813	\$0
Charges for Services - Workers' Compensation	318,945	318,945	0
Other Non-Operating Revenues - WC	238,549	238,549	0
Total Revenues	<u>7,429,307</u>	<u>7,429,307</u>	<u>0</u>
<u>Expenses:</u>			
Contractual Services - Workers' Compensation	120,948	120,948	0
Contractual Services - Health Benefits	446,137	446,137	0
Claims - Health Benefits	9,079,297	8,668,149	411,148
Claims - Workers' Compensation	102,725	102,725	0
Total Expenses	<u>9,749,107</u>	<u>9,337,959</u>	<u>411,148</u>
Net Change in Fund Equity	(2,319,800)	(1,908,652)	411,148
Fund Equity at Beginning of Year	<u>(1,220,516)</u>	<u>(1,220,516)</u>	<u>0</u>
Fund Equity at End of Year	<u><u>(\$3,540,316)</u></u>	<u><u>(\$3,129,168)</u></u>	<u><u>\$411,148</u></u>

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Statistical Section

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

	<u>2002 (1)</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
General Government:					
Legislative and Executive	\$5,074,323	\$5,028,648	\$5,155,992	\$4,733,044	\$4,830,432
Judicial	3,390,391	3,075,791	3,245,423	2,784,616	2,685,234
Public Safety	119,497	311,644	929,074	131,471	149,254
Public Works	0	15,230	183,643	180,300	168,200
Health	282,393	267,807	387,358	373,922	368,540
Human Services	877,699	894,109	826,458	847,208	896,019
Conservation and Recreation	0	0	125,893	133,812	359,424
Other	554,592	477,797	411,079	72,382	113,942
Capital Outlay	0	11,987	0	0	0
Intergovernmental	40,500	143,765	181,168	172,986	176,137
Principal Retirement	35,626	33,211	0	0	0
Interest and Fiscal Charges	<u>2,866</u>	<u>6,620</u>	<u>0</u>	<u>0</u>	<u>1,399</u>
Total Expenditures	<u><u>\$10,377,887</u></u>	<u><u>\$10,266,609</u></u>	<u><u>\$11,446,088</u></u>	<u><u>\$9,429,741</u></u>	<u><u>\$9,748,581</u></u>

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

Source: Jefferson County Auditor

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
\$4,683,961	\$5,092,457	\$4,465,601	\$3,359,439	\$3,433,667
2,547,965	2,197,547	2,092,597	1,802,955	1,869,573
133,869	121,342	121,715	202,323	197,822
179,106	0	158,619	0	0
340,874	258,504	203,395	8,431	8,723
933,746	1,154,815	235,875	224,738	250,927
158,484	156,381	0	0	0
378,880	3,361	0	294,839	282,747
0	0	0	0	0
169,930	195,383	71,212	0	0
0	0	2,073	0	100,000
<u>26,544</u>	<u>44,045</u>	<u>97,980</u>	<u>0</u>	<u>0</u>
<u>\$9,553,359</u>	<u>\$9,223,835</u>	<u>\$7,449,067</u>	<u>\$5,892,725</u>	<u>\$6,143,459</u>

JEFFERSON COUNTY, OHIO
General Fund Revenues by Source
Last Ten Years

	<u>2002 (1)</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
Property and Other Local Taxes	\$2,141,619	\$2,179,948	\$1,939,289	\$1,923,662	\$1,873,329
Permissive Sales Tax	3,975,249	3,738,870	3,745,132	3,571,762	3,968,361
Charges for Services	2,226,229	1,713,866	1,658,858	1,501,198	1,538,214
Fees, Licenses and Permits	4,685	4,885	0	0	72,077
Fines and Forfeitures	263,397	394,154	234,803	114,872	261,195
Intergovernmental	2,393,304	2,979,094	2,668,001	2,584,139	2,345,540
Interest	401,982	995,506	1,417,097	1,119,105	991,804
Rentals	1,650	12,035	10,012	9,925	11,026
Other	<u>365,560</u>	<u>184,103</u>	<u>1,211,636</u>	<u>115,271</u>	<u>177,962</u>
Total Revenues	<u><u>\$11,773,675</u></u>	<u><u>\$12,202,461</u></u>	<u><u>\$12,884,828</u></u>	<u><u>\$10,939,934</u></u>	<u><u>\$11,239,508</u></u>

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

Source: Jefferson County Auditor

<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
\$1,388,517	\$2,243,816	\$1,906,152	\$4,284,058	\$4,204,013
3,696,679	3,813,018	3,382,041	0	0
1,300,002	1,395,470	1,222,011	1,030,444	950,120
8,135	8,315	8,240	8,130	9,805
171,975	223,735	291,464	224,395	185,394
2,300,171	1,725,081	2,188,871	1,726,326	1,656,177
761,544	498,061	616,461	0	0
45,048	49,807	39,491	0	0
<u>425,813</u>	<u>238,020</u>	<u>73,906</u>	<u>458,905</u>	<u>370,102</u>
<u><u>\$10,097,884</u></u>	<u><u>\$10,195,323</u></u>	<u><u>\$9,728,637</u></u>	<u><u>\$7,732,258</u></u>	<u><u>\$7,375,611</u></u>

JEFFERSON COUNTY, OHIO

Property Tax Levies and Collections

Real and Public Utility Taxes

Last Ten Years

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections (1)</u>	<u>Percent Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>
2002	\$39,037,712	\$37,807,239	96.85%	\$1,663,993	\$39,471,232
2001	49,139,104	47,833,872	97.34%	1,354,347	49,188,219
2000	45,115,236	45,115,236	100.00%	1,231,287	46,346,524
1999	46,785,513	45,667,358	97.61%	1,389,985	47,057,343
1998	46,574,714	45,368,028	97.41%	795,031	46,163,059
1997	45,096,566	43,988,978	97.54%	1,099,851	45,088,829
1996	43,848,774	42,886,926	97.81%	903,284	43,790,209
1995	42,928,015	42,078,633	98.02%	967,540	43,046,173
1994	40,063,860	39,288,733	98.07%	983,003	40,271,735
1993	37,599,750	36,592,077	97.32%	1,408,343	38,000,420

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

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

Source: Jefferson County Auditor

Percent of Collections to Current Tax Levy	Outstanding Delinquent Taxes (2)	Percent of Delinquent Taxes to Current Tax Levy
101.11%	\$5,141,530	13.17%
100.10%	4,932,325	10.04%
102.73%	4,469,298	9.91%
100.58%	4,096,522	8.76%
99.12%	3,957,000	8.50%
99.98%	3,252,206	7.21%
99.87%	2,868,900	6.54%
100.28%	2,626,413	6.12%
100.52%	3,321,428	8.29%
101.07%	3,529,489	9.39%

JEFFERSON COUNTY, OHIO*Property Tax Levies and Collections**Tangible Personal Property Taxes**Last Ten Years*

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collected</u>	<u>Outstanding Delinquent Taxes</u>
2002	\$5,816,268	\$5,657,258	\$110,825	\$5,768,083	\$5,008,982
2001	6,312,008	6,179,833	97,644	6,277,477	4,960,797
2000	9,315,459	8,443,478	569,201	9,012,680	4,926,266
1999	8,949,296	7,899,617	113,128	8,012,745	3,670,316
1998	7,927,285	7,123,769	103,250	7,227,019	3,388,186
1997	9,588,398	7,129,079	38,649	7,167,728	4,059,524
1996	6,952,882	6,542,782	33,368	6,576,150	3,326,972
1995	7,384,302	7,219,403	79,012	7,298,415	2,948,639
1994	6,047,003	5,282,644	70,636	5,353,280	3,310,843
1993	6,071,156	5,935,329	1,541,284	7,476,612	3,028,463

Source: Jefferson County Auditor

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

Year	Real Property		Public Utility Property		Tangible Personal Property	
	Assessed Value	Estimated Actual Value (1)	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value (1)
2002	\$710,144,460	\$2,028,984,171	\$203,524,140	\$581,497,543	\$112,992,494	\$451,969,976
2001	709,278,810	2,026,510,886	204,389,790	583,970,829	115,978,614	463,914,456
2000	706,385,800	2,018,245,143	414,211,860	470,695,295	116,037,125	464,148,500
1999	576,107,630	1,646,021,800	416,032,490	472,764,193	142,000,742	568,002,968
1998	569,433,660	1,626,953,314	422,466,140	480,075,159	141,362,823	565,451,292
1997	563,355,090	1,609,585,971	422,628,880	480,260,091	128,468,415	513,873,660
1996	520,185,810	1,486,245,171	423,463,930	481,209,011	122,595,923	490,383,692
1995	519,558,460	1,484,452,743	448,915,360	510,131,091	114,787,870	459,151,480
1994	447,044,300	1,277,269,429	440,497,570	500,565,420	117,943,780	471,775,120
1993	444,309,500	1,269,455,714	426,036,370	484,132,239	131,123,840	524,495,360

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

Source: Jefferson County Auditor

Totals		
Assessed Value	Estimated Actual Value (1)	Ratio
\$1,026,661,094	\$3,062,451,690	33.5%
1,029,647,214	3,074,396,170	33.5%
1,236,634,785	2,953,088,938	41.9%
1,134,140,862	2,686,788,961	42.2%
1,133,262,623	2,672,479,765	42.4%
1,114,452,385	2,603,719,722	42.8%
1,066,245,663	2,457,837,875	43.4%
1,083,261,690	2,453,735,314	44.1%
1,005,485,650	2,249,609,969	44.7%
1,001,469,710	2,278,083,313	44.0%

JEFFERSON COUNTY, OHIO

*Property Tax Rates
Direct and Overlapping Governments
(Per \$1,000 of Assessed Value)
Last Ten Years*

<u>County Units</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>
General Fund	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85	\$1.85
Mental Health	0.50	0.50	0.50	0.50	0.50	0.50
Mental Health & Retardation	1.80	1.80	1.80	1.80	1.80	1.80
Tuberculosis & Crippled Children	0.30	0.30	0.30	0.30	0.30	0.30
Children's Services	1.00	1.00	1.00	1.00	1.00	1.00
Bond/jail (\$15,000,000)	1.10	1.10	1.10	1.10	1.10	1.10
Mental Health & Retardation - Jeffco.	1.70	1.70	1.70	1.70	1.70	1.70
911 System	1.00	1.00	1.00	1.00	1.00	1.00
Jail Operating & Equipment	1.50	1.50	1.50	1.50	1.50	1.50
	10.75	10.75	10.75	10.75	10.75	10.75
<u>Corporations:</u>						
Adena	25.00	25.00	20.00	20.00	20.00	20.00
Amsterdam	19.40	19.40	19.40	19.40	16.70	16.70
Bergholz	8.20	8.20	8.20	8.20	8.20	8.20
Bloomington	8.40	8.40	8.40	8.40	8.40	8.40
Dillonvale	16.90	16.90	16.90	16.90	16.90	16.90
Empire	12.20	12.20	12.20	12.20	12.20	12.20
Irondale	11.00	11.00	11.00	11.00	11.00	11.00
Mingo Junction	6.80	7.80	7.80	7.80	7.80	7.80
Mt. Pleasant	26.90	26.90	26.90	26.90	26.90	22.90
New Alexandria	7.40	7.40	7.40	7.40	7.40	7.40
Rayland	6.70	6.70	6.70	6.70	6.70	6.70
Richmond	14.40	14.40	14.40	14.40	14.40	14.40
Smithfield	26.30	26.30	23.30	23.30	23.30	24.30
Steubenville	7.90	7.90	7.90	7.90	9.20	9.20
Stratton	3.50	3.50	3.50	3.50	3.50	3.50
Tiltonsville	12.70	12.70	12.70	12.70	12.70	12.70
Toronto	3.40	3.40	3.90	3.90	6.40	6.40
Wintersville	6.80	6.80	6.80	6.80	9.80	9.80
Yorkville	10.45	10.45	11.30	10.95	10.95	10.95
<u>Townships:</u>						
Brush Creek	4.20	4.20	3.70	3.70	3.70	3.70
Cross Creek	8.90	8.90	8.90	8.90	8.90	8.90
Island Creek	8.70	8.70	8.70	8.70	8.70	8.70
Knox	9.70	8.20	5.20	5.20	5.20	5.20
Mt. Pleasant	6.10	6.10	6.10	6.10	6.10	6.10
Ross	3.70	3.70	2.70	2.70	2.70	2.70
Salem	6.50	6.50	6.50	6.50	6.50	6.50
Saline	3.80	3.80	3.80	3.80	3.80	3.80
Smithfield	5.10	5.10	5.10	5.10	5.10	5.10
Springfield	8.20	8.20	8.20	8.20	8.20	8.20
Steubenville	4.10	4.10	4.10	4.10	4.10	4.10
Warren	5.80	5.80	5.80	5.80	5.80	5.80
Wayne	11.90	11.90	11.90	11.90	11.90	11.90
Wells	6.00	6.00	6.00	6.00	6.00	6.00
<u>School Districts</u>						
Buckeye Local School District	30.50	30.50	30.50	31.35	31.35	31.35
Edison Local School District	30.40	30.40	30.40	30.50	30.50	30.50
Indian Creek Local School District	39.10	39.10	39.10	39.10	39.10	39.10
Steubenville City School District	36.45	36.45	36.80	36.80	34.70	34.70
Toronto City School District	37.65	37.65	37.65	37.65	44.05	44.05
<u>Joint Vocational School</u>						
Jefferson County JVS	1.50	1.50	1.50	1.50	1.50	1.50
<u>College</u>						
Community College	1.00	1.00	1.00	1.00	1.00	1.00

Source: Jefferson County Auditor

<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>
\$1.85	\$1.85	\$1.85	\$1.85
0.50	0.50	0.50	0.50
1.80	1.80	1.80	1.80
0.30	0.30	0.30	0.30
1.00	1.00	1.00	1.00
1.10	1.10	1.10	1.10
1.70	1.70	1.70	1.70
0.65	0.65	0.65	0.65
1.50	1.50	1.50	1.50
10.40	10.40	10.40	10.40

20.00	20.00	20.00	20.00
16.70	13.70	13.70	13.70
8.20	8.20	8.20	8.20
8.40	8.40	8.40	8.40
16.90	16.90	16.90	16.90
12.70	12.20	12.20	7.20
11.00	11.00	11.00	11.00
7.80	7.80	6.80	6.80
22.90	14.90	22.90	22.90
7.40	7.40	7.40	7.40
6.70	6.70	6.00	6.70
14.40	14.40	14.40	14.40
24.30	24.30	24.30	24.30
9.20	9.20	8.20	8.20
4.00	3.50	3.50	3.50
12.70	7.80	9.25	9.25
3.40	3.40	3.40	3.40
9.80	9.80	9.80	9.80
10.95	10.95	10.95	10.95

3.70	3.70	3.70	3.70
8.90	8.90	8.90	8.90
8.70	8.70	8.70	8.70
5.20	5.20	5.20	5.20
6.10	6.10	6.10	6.10
2.70	2.70	2.70	2.70
6.50	6.50	6.50	6.50
3.80	3.80	3.80	3.80
5.10	5.10	5.10	5.10
8.20	5.20	5.20	5.20
4.10	4.10	4.10	4.10
5.80	5.80	5.80	5.80
11.90	11.90	11.90	11.90
6.00	6.00	6.00	4.25

31.35	31.35	31.35	31.35
30.50	30.50	27.60	27.60
39.10	31.20	31.20	31.20
34.70	34.70	34.70	34.70
44.05	44.05	39.05	39.05

1.50	1.50	1.50	1.00
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1.00	1.00	1.00	1.00
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JEFFERSON COUNTY, OHIO
Special Assessments Billed and Collected
Last Ten Years

Year	Special Assessments Billed	Special Assessments Collected	Percent Collected	Outstanding Delinquent
2002	\$218,551	\$29,063	13.30%	\$186,957
2001	224,006	47,643	21.27%	182,160
2000	209,962	46,579	22.18%	170,069
1999	179,519	38,812	21.62%	145,411
1998	161,293	35,759	22.17%	130,648
1997	147,117	33,146	22.53%	119,165
1996	135,953	29,828	21.94%	110,122
1995	124,196	27,584	22.21%	100,599
1994	124,033	27,449	22.13%	100,467
1993	118,277	25,808	21.82%	95,804

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO
Computation of Legal Debt Margin
December 31, 2002

	Total Debt Limit (1)	Total Unvoted Debt Limit (2)
Assessed Value of County, Collection Year 2002	\$1,026,661,094	\$1,026,661,094
Debt Limitation	24,166,527	10,266,611
Total Outstanding Debt:		
General Obligation Bonds	25,527,219	25,527,219
Revenue Bonds	201,000	201,000
OWDA Loans	5,634,732	5,634,732
OPWC Loans	922,759	922,759
Notes	10,864,744	10,864,744
Total	43,150,454	43,150,454
Exemptions:		
General Obligation Bonds	24,047,219	24,047,219
Revenue Bonds	201,000	201,000
OWDA Loans	5,634,732	5,634,732
OPWC Loans	922,759	922,759
Notes:		
Jail Facilities Notes	4,115,295	4,115,295
Road Improvement Notes	0	0
Water Revenue Notes	2,706,846	2,706,846
Sewer Revenue Notes	2,694,376	2,694,376
Amount Available in Debt Service Fund	2,311,876	2,311,876
Total	42,634,103	42,634,103
Net Debt	\$516,351	\$516,351
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	\$23,650,176	\$9,750,260

(1) The Debt Limitation is calculated as follows:

Three percent of first \$100,000,000 of assessed value	\$3,000,000
1 1/2 percent of the next \$200,000,000 of assessed value	\$3,000,000
2 1/2 percent of amount of assessed value in excess of \$300,000,000	18,166,527
	\$24,166,527
	\$24,166,527

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

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

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

Year	Population	Assessed Value	Gross Bonded Debt (1)	Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2002	72,402	\$1,026,661,094	\$25,527,219	\$2,311,876	\$23,215,343	2.26%	\$320.65
2001	72,855	1,029,647,214	27,087,219	1,935,010	25,152,209	2.44%	345.24
2000	73,894	1,236,634,785	28,582,219	1,306,301	27,275,918	2.21%	369.12
1999	73,662	1,134,140,862	29,842,219	1,430,851	28,411,368	2.51%	385.70
1998	74,558	1,114,452,385	30,902,219	1,197,938	29,704,281	2.67%	398.41
1997	76,014	1,066,245,663	16,475,000	1,581,075	14,893,925	1.40%	195.94
1996	77,037	1,073,746,960	16,915,000	1,462,935	15,452,065	1.44%	200.58
1995	77,968	1,084,003,820	17,335,000	(381,064)	17,716,064	1.63%	227.22
1994	78,477	1,006,187,400	3,450,000	(337,545)	3,787,545	0.38%	48.26
1993	79,096	1,002,311,500	3,689,285	8,901,529	(5,212,244)	(0.52%)	(65.90)

(1) Includes only General Obligation Bonds

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

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

<u>Year</u>	<u>Principal</u>	<u>Interest and Fiscal Charges</u>	<u>Total Service</u>	<u>Total General Fund Expenditures</u>	<u>Ratio of Debt Service To Total General Fund Expenditures</u>
2002	\$1,560,000	\$1,367,558	\$2,927,558	\$10,377,887	28.21%
2001	1,495,000	1,440,413	2,935,413	10,266,609	28.59%
2000	1,260,000	1,502,188	2,762,188	11,446,088	24.13%
1999	1,060,000	1,554,678	2,614,678	9,429,741	27.73%
1998	1,055,000	1,317,867	2,372,867	9,748,581	24.34%
1997	440,000	1,164,425	1,604,425	9,553,359	16.79%
1996	420,000	1,189,406	1,609,406	9,223,835	17.45%
1995	315,000	1,101,999	1,416,999	7,449,067	19.02%
1994	239,285	274,263	513,548	5,892,725	8.71%
1993	239,285	288,283	527,568	6,143,459	8.59%

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

*Computation of Direct and Overlapping General Obligation Bonded Debt
December 31, 2002*

<u>Political Subdivision</u>	<u>Debt Outstanding (1)</u>	<u>Percentage Applicable To County (2)</u>	<u>Amount Applicable To County</u>
Jefferson County	\$25,527,219	100.00%	<u>\$25,527,219</u>
Cities Wholly Within County	750,000	100.00	750,000
Villages Wholly Within County	264,000	100.00	264,000
School District Wholly Within County	10,586,851	100.00	10,586,851
Buckeye Local School District	3,749,794	89.55	3,357,941
Southern Local School District	3,024,999	1.52	<u>45,980</u>
Total Overlapping Debt Only			<u>15,004,772</u>
Total Applicable to Jefferson County			<u><u>\$40,531,991</u></u>

(1) Includes only General Obligation Bonded Debt.

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

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

Revenue Bond Coverage - Water Fund

Last Eight Years

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

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

(2) Total operating expenses exclusive of depreciation

(3) Includes principal and interest of revenue bonds only

Note: Information prior to 1995 not available

Source: Jefferson County Auditor

JEFFERSON COUNTY, OHIO

Demographic Statistics

December 31, 2002

Total Population	72,402	(1)
<u>Sex</u>		
Male	34,540	(2)
Female	37,862	
<u>Age</u>		
Under 5 Years	3,782	(2)
5 to 9 Years	4,246	
10 to 14 Years	4,573	
15 to 19 Years	4,969	
20 to 24 Years	4,080	
25 to 34 Years	7,926	
35 to 44 Years	10,588	
45 to 54 Years	10,989	
55 to 59 Years	3,944	
60 to 64 Years	3,833	
65 to 74 Years	6,957	
75 to 84 Years	5,030	
85 Years and Over	1,485	
Median Age	41.6	
Under 18 Years	17,070	
Percent of Total Population	23.6%	
65 Years and Over	13,472	
Percent of Total Population	18.6%	

Year	Population (1)
2002	72,402
2001	72,855
2000	73,894
1999	73,662
1998	74,558
1997	76,014
1996	77,037
1995	77,968
1994	78,477
1993	79,096

Sources:

- (1) U.S. Census Bureau
- (2) Social and Economic Trend Analysis
- (3) Jefferson County School Boards
- (3) Ohio Bureau of Job and Family Services

JEFFERSON COUNTY, OHIO

Ten Largest Employers

December 31, 2002

<u>Ten Largest Employers</u>	<u>Nature of Business</u>	<u>Employees</u>
Weirton Steel Corporation	Steel	3,500
Wheeling-Pittsburgh Steel Corporation	Steel	2,480
Trinity Health Systems	Health Care	1,900
Titanium Metals Corporation	Titanium Mill Products	500
FirstEnergy	Utility	440
Franciscan University of Steubenville	Higher Education	306
American Electric Power	Power Generation	253
Jefferson Community College	Higher Education	220
Ogden Newspapers	News Service	189
Telespectrum Worldwide	Telemarketing	150

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

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

Collection Year	Real Property Value		
	Agricultural/ Residential	Commercial/ Industrial	Total Value (1)
2002	\$558,299,540	\$150,979,270	\$709,278,810
2001	557,811,710	148,574,090	706,385,800
2000	437,500,420	138,607,210	576,107,630
1999	431,203,490	138,230,170	569,433,660
1998	426,309,620	137,045,470	563,355,090
1997	385,324,580	134,861,230	520,185,810
1996	384,547,290	135,011,170	519,558,460
1995	315,137,890	131,906,410	447,044,300
1994	312,204,320	132,105,180	444,309,500
1993	310,445,180	129,958,330	440,403,510

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

Sources: Jefferson County Auditor
 Federal Deposit Insurance Agency

New Construction			Bank Deposits
Residential	Industrial	Total New Construction	
\$4,474,960	\$2,360,720	\$6,835,680	\$930,041,000
5,699,450	2,054,480	7,753,930	913,259,000
6,431,540	1,353,710	7,785,250	910,791,000
4,881,840	1,351,330	6,233,170	904,951,000
2,659,230	1,334,170	3,993,400	896,436,000
1,782,740	717,280	2,500,020	909,721,000
1,782,740	1,644,280	3,427,020	884,969,000
2,485,820	2,067,240	4,553,060	872,416,000
1,425,730	1,449,380	2,875,110	913,259,000
1,499,380	1,590,510	3,089,890	677,766,000

JEFFERSON COUNTY, OHIO

Principal Property Taxpayers

December 31, 2002

<u>Taxpayers</u>	<u>Type of Business</u>	<u>Real Estate Assessed Valuation</u>	<u>Tangible Personal Property Assessed Valuation</u>
First Energy (formarly Ohio Edison)	Electric Utility	\$85,086,250	\$0
Buckeye Power Company	Electric Utility	60,263,060	0
Ohio Power Company	Electric Utility	60,229,250	0
Wheeling-Pittsburgh Steel Corporation	Steel Manufacturing	26,512,050	0
Titanium Metals Corporation of America	Metals Manufacturing	1,179,100	22,054,710
Cleveland Electric	Electric Utility	13,831,840	0
Midwest Electrical Supply Company	Electrical Supplies	0	7,465,050
Fort Steuben Mall	Retail Property	7,001,580	0
Ohio Bell Telephone Company	Telephone Company	6,883,690	0
Pennsylvania Power Company	Electric Utility	<u>6,254,720</u>	<u>0</u>
		<u>\$267,241,540</u>	<u>\$29,519,760</u>

Source: Jefferson County Auditor's Office

<u>Total Assessed Valuation</u>	<u>Percent of Total County Assessed Valuation</u>
\$85,086,250	8.15%
60,263,060	5.77%
60,229,250	5.77%
26,512,050	2.54%
23,233,810	2.23%
13,831,840	1.33%
7,465,050	0.72%
7,001,580	0.67%
6,883,690	0.66%
<u>6,254,720</u>	<u>0.60%</u>
<u><u>\$296,761,300</u></u>	<u><u>28.43%</u></u>

JEFFERSON COUNTY, OHIO

Miscellaneous Statistics

December 31, 2002

Date of Incorporation	1797
35th Largest County in the State of Ohio (1)	88 Counties in Ohio
County Seat	Steubenville, Ohio
Area - Square Miles	409.6
Number of Political Subdivisions Located in the County: (2)	
Cities	2
Villages	17
Townships	14
School Districts	7
Vocations School Districts	3
Fire District	1
Colleges:	
Jefferson Community College	1
Universities:	
Franciscan University	1
Lane Miles (3)	
U.S. Highways	18.95
State Highways	153.65
County Highways	526
Township Roads	894
Communications	
3 Radio Stations - WDIG 95-AM; WSTV 1340-AM; WRKY 103.5-FM	
3 Daily Newspapers - The Herald Star; Intelligencer; Times Leader	
Voter Statistics, Election of November , 2002 (4)	
Number of Registered Voters	52,974
Number of Voters, Last General Election	24,176
Percentage of Voters Voting	45.64%

Sources:

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