



**Auditor of State
Betty Montgomery**

CLERMONT COUNTY

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CLERMONT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<i>Passed Through Ohio Department of Mental Health:</i>			
Mental Health Recovery Block Grant	N/A	93.958	\$ 25,000
Community Plan Block Grant	N/A	93.958	53,331
Children/Adolescent Block Grant	N/A	93.958	27,920
508Q CQRT	N/A	93.958	119,208
Total Block Grants for Community Mental Health Services			<u>225,459</u>
Projects for Assistance in Transition from Homelessness	N/A	93.150	200
Medicaid Assistance Program (Title XIX)	N/A	93.778	2,518,359
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Medicaid Assistance Program (Title XIX)	N/A	93.778	1,990,355
Title XIX - Targeted Case Management	N/A	93.778	387,750
Title XIX - Service Coordination	N/A	93.778	55,787
Title XIX - Waiver Administration	N/A	93.778	11,258
Total Medical Assistance Program (Title XIX)			<u>4,963,509</u>
<i>Passed Through Ohio Department of Mental Health:</i>			
Social Services Block Grant (Title XX)	N/A	93.667	100,612
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities</i>			
Social Services Block Grant	N/A	93.667	116,935
Total Social Services Block Grant (Title XX)			<u>217,547</u>
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Women's Outreach Services	N/A	93.959	101,098
TASC	N/A	93.959	175,004
Per Capita Treatment/Prevention	N/A	93.959	431,961
Total Block Grants for Prevention and Treatment of Substance Abuse			<u>708,063</u>
<i>Passed through Ohio Department of Job and Family Services</i>			
Child Abuse and Neglect State Grants	N/A	93.669	3,232
Independent Living	N/A	93.674	48,205
Consolidated Knowledge Development & Application Program	N/A	93.230	212,657
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			6,378,872
<u>U.S. DEPARTMENT OF EDUCATION</u>			
<i>Passed through Ohio Department of Health</i>			
Special Education Grants for Infants and Families with Disabilities - Hearing Impaired	N/A	84.181	156,942
<i>Passed through Ohio Department of Alcohol and Drug Addiction Services</i>			
Safe & Drug Free Schools & Communities: State Grants	N/A	84.186A	88,847
<i>Passed through Ohio Department of Education</i>			
Special Education: Grants to States	N/A	84.027	40,617
TOTAL U.S. DEPARTMENT OF EDUCATION			286,406

CLERMONT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
<i>Passed through the Ohio Department of Education</i>			
Nutrition Cluster			
National School Lunch Program	N/A	10.555	19,606
National School Breakfast Program	N/A	10.553	6,497
Total Nutrition Cluster			<u>26,103</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			26,103
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
<i>Passed through Ohio Department of Public Safety</i>			
STEP Enforcement Project	N/A	20.600	38,146
Community Surface Transportation Program	N/A	20.600	<u>10,000</u>
Total State and Community Highway Safety Grant			48,146
<i>Passed through Ohio Emergency Management Agency</i>			
Interagency Hazardous Materials Public Sector Training and Planning Grants	N/A	20.703	4,530
<i>Passed through Ohio Department of Transportation</i>			
Local Bridge Repair Project, CLE-CR351-2.80	N/A	20.205	56,583
Local Bridge Repair Project, CLE-CR181-0.32	N/A	20.205	53,928
IR 275/US 50 Interchange Improvements	PID 20028	20.205	362,883
Branch Hill Guinea Pike Imp. (Loveland Miamiville Rd)	PID 17573	20.205	23,513
SR 32/Olive Branch-Stonelick Rd. Interchange	PID 20056	20.205	2,008,543
Stonelick Williams Corner Bridge	PID 17224	20.205	632,910
Woodville Pike Safety Improvement	PID 14944	20.205	306,770
Hill Station Bridge Replacement	PID 14988	20.205	<u>355,827</u>
Total Highway Planning and Construction			3,800,957
Formula Grants for Other Than Urbanized Areas	N/A	20.509	<u>430,704</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			4,284,337
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
<i>Passed through the Ohio Emergency Management Agency</i>			
Emergency Management Performance Grant	N/A	83.552	71,129
Terrorism Consequence Management Preparedness Assistance	N/A	83.552	<u>4,195</u>
Total Emergency Management Performance Grant			75,324
Public Assistance Grant	DR-1164	83.544	383,922
Public Assistance Grant	DR-1390	83.544	<u>241,016</u>
Total Public Assistance Funds			624,938
Project Impact: Building Disaster Resistant Communities	EMC-2000-GR-0046	83.551	82,697
HUD Disaster Recovery Initiative Grant	B-98-DU-390004	83.516	<u>18,455</u>
TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY			801,414
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Community Policing Grants (COPS Universal Hiring)	N/A	16.710	102,501
Law Enforcement Block Grant	N/A	16.592	32,711
Sex Offender Management Discretionary Grant	N/A	16.203	29,624
<i>Passed through the Ohio Office of Criminal Justice Services</i>			
Juvenile Accountability Incentive Block Grant - Drug Court	N/A	16.523	58,525
Juvenile Accountability Incentive Block Grant - Weekend Detention	N/A	16.523	<u>7,486</u>
Total Juvenile Accountability Incentive Block Grant (JAIBG)			66,011
Byrne Formula Grant Program (Drug Control & System Imp)	N/A	16.579	175,179
<i>Passed through the Ohio Attorney General</i>			
Crime Victim Assistance	N/A	16.575	94,104
<i>Passed through the Ohio Dept. of Rehabilitation and Correction</i>			
Violent Offender Incarceration and Truth in Sentencing Incentive Grant (VOITIS)	N/A	16.586	379,611
<i>Passed through the Ohio Emergency Management Agency</i>			
State Domestic Preparedness Equipment Support Program	N/A	16.007	<u>24,107</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			903,848

CLERMONT COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2002

Federal Grantor/ Pass Through Grantor Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
<u>U.S. DEPARTMENT OF LABOR</u>			
<i>Passed through the Ohio Department of Job and Family Services</i>			
Workforce Investment Act Cluster			
Adult Program	N/A	17.258	278,504
Youth Activities	N/A	17.259	263,577
Dislocated Worker	N/A	17.260	<u>244,832</u>
Total Workforce Investment Act Cluster			786,913
One-Stop Career Center Initiative	N/A	17.257	<u>66,789</u>
TOTAL U.S. DEPARTMENT OF LABOR			853,702
<u>U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>			
<i>Passed through Ohio Department of Development</i>			
Community Development Block Grant	N/A	14.228	<u>134,904</u>
TOTAL			<u>\$ 13,669,586</u>

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

CLERMONT COUNTY

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES
DECEMBER 31, 2002**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - NUTRITION CLUSTER

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department are commingled with State grants. It is assumed federal monies are expended first.

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

The County has established a revolving loan program to provide low-interest loans to persons from low income households for repairs to or replacement of septic systems, completion of septic system installations, or connection to the public sewer system. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County passed through the Ohio Department of Development. The initial loan of this money is recorded as a disbursement on the accompanying Schedule of Federal Awards Expenditures (the Schedule). Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by HUD, but are not included as disbursements on the Schedule.

These loans are collateralized by five-year mortgages on the property, amortized monthly. At December 31, 2002, the gross amount of loans outstanding under this program was \$99,224. There were no delinquent amounts due.

NOTE D - MATCHING REQUIREMENTS

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

NOTE E - SUBRECIPIENTS

The County passes-through certain Federal assistance received from the Ohio Department of Mental Health and the Ohio Department of Drug and Alcohol and Drug Addiction Services to subrecipients. As described in Note A, the county records expenditures of Federal awards to subrecipients when paid in cash.

The subrecipient agencies have certain compliance responsibilities related to administering these federal programs. Under Federal Circular A-133, the County is responsible for monitoring subrecipients to help assure the Federal awards are used for authorized purposes in compliance with laws, regulations and the provisions of contracts or grant agreements, and the performance goals are achieved.

NOTE F - TITLE XIX (MEDICAID)

Funds passed through the Community Mental Health Board to providers is considered a subrecipient relationship and is included on the Schedule.



**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Clermont County
101 East Main Street
Batavia, Ohio 45103

To the Board of County Commissioners:

We have audited the financial statements of Clermont County, Ohio (the County), as of and for the fiscal year ended December 31, 2002, and have issued our report thereon dated May 30, 2003. We did not audit the Business-Type Activities and the County Sewer District and County Water District major enterprise funds, and our opinion, insofar as it relates to the amounts included as Business-Type Activities and the County Sewer District and County Water District major enterprise funds, is based on the report of 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.

Compliance

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the County in a separate letter dated May 30, 2003.

This report is intended for the information and use of the management, Board of County Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty Montgomery
Auditor of State

May 30, 2003



Auditor of State Betty Montgomery

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

Clermont County
101 East Main Street
Batavia, Ohio 45103

To the Board of County Commissioners:

Compliance

We have audited the compliance of Clermont County, Ohio (the County), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2002. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2002.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted another matter involving the internal control over federal compliance that does not require inclusion in this report, that we have reported to management of the County in a separate letter dated May 30, 2003.

Schedule of Federal Award Expenditures

We have audited the financial statements of Clermont County, Ohio (the County), as of and for the fiscal year ended December 31, 2002, and have issued our report thereon dated May 30, 2003. We did not audit the Business-Type Activities and the County Sewer District and County Water District major enterprise funds, and our opinion, insofar as it relates to the amounts included as Business-Type Activities and the County Sewer District and County Water District major enterprise funds, is based on the report of other auditors. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of federal awards expenditures is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the management, Board of County Commissioners, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.



Betty Montgomery
Auditor of State

May 30, 2003

**CLERMONT COUNTY
DECEMBER 31, 2002**

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

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material non-compliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under § .510?	No
(d)(1)(vii)	Major Programs (list):	Title XIX (Medicaid) - CFDA #93.778 Rural Transit Grant – CFDA #20.509 Highway, Planning and Construction – CFDA #20.500 Substance Abuse Prevention & Treatment Block Grant – CFDA #93.959
(d)(1)(viii)	Dollar Threshold: Type A\B Programs	Type A > \$410,087 Type B - all other programs
(d)(1)(ix)	Low Risk Auditee?	Yes

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

**CLERMONT COUNTY,
OHIO
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE YEAR ENDED
DECEMBER 31, 2002**

Linda L. Fraley
Clermont County Auditor

Prepared by the Clermont County Auditor's Office

Charles F. Tilbury, Jr.
Chief Deputy Auditor

Christopher T. Mehlman
Deputy Auditor - Financial Operations

Shirley Foley
Deputy Auditor - Special Projects

**CLERMONT COUNTY, OHIO
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2002**

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INTRODUCTORY SECTION

LINDA L. FRALEY

Clermont County Auditor

101 E. Main Street
Batavia, Ohio 45103-2961

To the Citizens and Board of Commissioners
of Clermont County, Ohio:

May 30, 2003

We are pleased to present this Comprehensive Annual Financial Report (CAFR) for Clermont County, Ohio. This report, for the year ended December 31, 2002, contains the financial statements and other financial and statistical data that provide a complete and full disclosure of all material financial aspects of the County. The responsibility for the accuracy of all data presented, its completeness and fairness of presentation rests with the County Auditor's Office.

This report presents the financial activity of the County in conformity with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources, and is consistent with the new reporting model as promulgated by GASB Statement No. 34.

The CAFR is organized in three sections: the Introductory Section, the Financial Section and the Statistical Section. The Introductory Section contains a table of contents, letter of transmittal, organization chart, list of elected officials and a Certificate of Achievement for Excellence in Financial Reporting for the 2001 CAFR. The Financial Section includes the Independent Accountants' Report, Management's Discussion and Analysis, the Basic Financial Statements and Notes that provide an overview of the County's financial position and operating results, the Combining Statements for nonmajor funds and other schedules that provide detailed information relative to the Basic Financial Statements. The Statistical Section provides selected financial, economic and demographic information which may be used to indicate trends for comparative fiscal periods.

The County of Clermont is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget's Circular A-133, Audits of State and Local Governments. Information related to this single audit, including a schedule of federal financial assistance, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

While this report accurately presents the financial statements and statistics of Clermont County, it only reflects a small segment of the entire community - a community that includes many businesses, quality school systems, a fine park district, library system, Clermont College (a branch of the University of Cincinnati) and several industrial parks.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Clermont County's MD&A can be found immediately following the report of the independent auditor's.

REPORTING ENTITY

The County was formed by an action of Arthur St. Clair, the first governor of the Northwest Territory in 1800. The elected three-member Board of County Commissioners functions as the legislative and executive branch of the County. Each commissioner serves a term of four years. In addition to the County Auditor, who serves as chief fiscal officer, there are seven other elected administrative officials, each of whom operate independently as set forth by Ohio law. The officials are: Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff and Treasurer. All of these officials serve four-year terms. The following judges are elected on a countywide basis to oversee the County's judicial system: Three Common Pleas Court Judges, one Domestic Relations Court Judge, one Probate/Juvenile Court Judge and three Municipal Court Judges. Judges are elected to six year terms.

The County provides general governmental services to its citizens which include: tax collection and distribution, public assistance, health assistance, community related services, civil and criminal justice systems, road and bridge maintenance, sewer and water line construction and maintenance and other general administrative support services. The County also operates water supply and sewer treatment systems.

The County's reporting entity has been defined in accordance with Governmental Accounting Standards Board Codification, Section 2100. The financial statements contained within this Comprehensive Annual Financial Report include all funds, agencies, boards and commissions for which the County elected officials are financially accountable. A complete discussion of the County's reporting entity is provided in Note A to the basic financial statements.

ECONOMIC CONDITION AND OUTLOOK

Summary of Local Economy

Clermont County continued its position of rapid growth in 2002. Woods and Poole, Inc. based in Washington, D.C., ranks Clermont County third in projected population growth in Ohio for the period 2000-2010, as compared to the other 88 counties in the state. Over the past six years, Clermont County has consistently been one of the fastest growing counties in Ohio, with a population exceeding 184,000. Woods and Poole projects Clermont will be the 5th fastest growing County in employment in the State through the year 2025 with a growth rate estimated at 1.72% annually. Growth components in which Clermont has consistently been at or near the top among Ohio counties include:

1. Population Growth
2. New Housing Starts
3. Retail Sales Growth
4. New Business Start Ups and Formations
5. Patent and Copyright Registrations

Woods and Poole, Inc. also projects Clermont County to be the third fastest growing County employment-wise in the State through the year 2005. The County unemployment rate of 4.5% at December 31, 2002 compares to 5.2 % for the State of Ohio and 5.7% for the United States.

The Clermont tax base includes 55 companies with 100 or more employees including Cinergy Corporation (Greater Cincinnati) - 4,700 employees, Cincinnati Bell Telephone (Greater Cincinnati) - 2,700 employees, 3M Precision Optics - 1,550 employees, ZF Batavia, LLC - 1,510 employees, West Clermont Local District - 937 employees, and International Paper- roughly 800 employees.

Clermont County has experienced substantial growth in the last two decades, aided by the completion of I-275 and the opening of I-471 between I-275 and downtown. With the increased accessibility, a probusiness environment and an abundance of low-cost available property, Clermont County continues to flourish in residential and commercial growth.

Clermont County's economy has experienced relative growth within the Cincinnati metropolitan economy. While the retail and service sectors have grown significantly, Clermont County still has a healthy industrial base. Currently there are more than 6,325 businesses located in Clermont County including 1,956 service businesses, 1,427 retail and wholesale enterprises, 793 construction related business and 337 manufacturing companies. Some of the largest employers in the County are ZF Batavia, which operates an automotive transmission plant; Milacron, a producer of plastic machinery parts; Cinergy, a provider of utilities in the area; Clermont Mercy Hospital, which provides medical services for residents of the County; 3M Precision Optics, a producer of optical lenses; Electronic Data Systems (formerly Structural Dynamics Research Corporation -SDRC) an engineering firm specializing in computer software design work; the Midland Company, a major national insurance provider/underwriter and International Paper who opened their 3rd building, a new 85,000 square foot information technology center. Many of the major employers in Clermont County are located in the western parts of the County in close proximity to Cincinnati. In the late 1980's and 1990's new office parks, shopping centers, and residential developments began to appear near the intersection of I-275 and State Route 32, the Appalachian Highway.

Park 50 TechneCenter has brought the County the distinction of having the largest high-tech research park in Ohio. Park 50 consists of more than 1.5 million square feet of office and research space housed in 32 buildings. The development is located on a 455-acre campus located at the intersection of I-275 and U.S. 50. Total employment in the park is more than 3,800. Since the first building in the park was occupied in 1978, it has grown to more than 145 companies. More than 50 percent of these are high-tech companies, including Electronic Data Systems (formerly Structural Dynamics Research Corporation -SDRC), Siemons, CIMX Scanner Applications, Computer Technology Corporation, International TechneGroup Inc., PPG, MANTA Engineering, Rockwell Automation, Entek and Accu-Med Services. Park 50 also includes companies such as Bigg's Hyper Shoppes, Philip Morris, Union Carbide Corporation, Dow-Corning, and banks, insurance companies, brokerage companies and investment management firms. Park 50 TechneCenter development is also located within an Enterprise Zone.

Tipton Associates is also developing the Wards Corner Business Park. The parcel covers 77 acres, on 46 acres of which International Paper's world class research and development center is located. This center was completed in July 1997 and has resulted in more than 600 new jobs being brought to Clermont County. International Paper completed construction on a new 85,000 square foot information technology center that will bring 256 new high tech jobs into Clermont County. An additional 15 acres has been developed with a 150,000 square foot executive building for Indiana Insurance. In 1999, the Attachmate Corporation completed a 54,000 square foot building and brought 200 employees to the area. Five other buildings at this location vary from a class A office building (Lakeside Center) to several flex buildings housing office, light manufacturing, sales and distribution firms. An adjacent retail center has restaurants and retail shops. In addition, a new 85 room Hilton Garden Hotel recently opened in the vicinity.

The largest employment center in Clermont County is the Bach-Buxton, McMann, Clough Pike business corridor. Large employers in this area include Midland Companies, Corning Precision Lens, KDI, Sun Chemical, Rockwell Automation, Multi-Color, Tri-State Fabricators, Key Resins, Q.C. Industries, and others. Employment, more than 4,000 in this area, is growing rapidly with recent infrastructure improvements.

Clermont County has a large and growing retail base. At Eastgate, at the intersection of I-275 and State Route 32, development continues at a rapid pace. The Eastgate Mall contains about 60 smaller shops and merchants. The mall has four large department stores as anchors: J.C. Penny, Sears, Dillards, and Kohl's. Large discount retailers have located in the County to take advantage of the rapid population growth, housing increases and strong community demographics. These include companies such as Office Max, Circuit City, h.h.gregg, Wal-Mart, Meijer, Value City, Home Depot, Lowe's, K-Mart, Sam's Club, Dick's Sporting Goods, Best Buy, Michaels, Hobby Lobby, Bigg's, Garden Ridge, Rhodes Furniture Gallery, Sofa Express, Borders, Big Lots, Frank's Nursery, Kroger, Thriftway, Furniture Fair, Oak Express and others.

Estate Pavilion, another retail shopping center on Estate Boulevard, was constructed and opened in 1995. This development includes a Value City department store, Dick's Sporting Goods, Best Buy appliance store and Petsmart.

A second major and growing retail location is the Mulberry Square Shopping Center, developed by the Myers Cooper Company. Anchors in this shopping center off State Route 28 are Kroger's and Sears. This center plus a Meijers Square Store across the street with complementary retail establishments total over 530,000 square feet. Adjoining this development will be approximately 200,000 square feet of office space as well. A new Home Depot Store completed in 2000 was added to the retail area as well as an Applebees and O'Charley's restaurants. A new Kohl's department Store is currently under construction and is scheduled for completion in late 2002.

The Clermont County Airport Industrial Park has 22 firms with over 1,500 employees. The airport area has another 170 acres immediately available for development with access, utilities and zoning appropriate for a variety of uses. Sporty's nationwide aircraft pilot supply catalogue house is the largest employer in the complex. Sporty's, with 120,000 square foot facility for sales and distribution, offers a full line of air services such as flight school, charters, fuel, equipment, repairs and maintenance. It is the largest supplier of private pilot goods and materials in the United States. Light industries representing a diversified mix of local, national and foreign concerns are located in the County including Ellis & Watts (a subsidiary of Dynamics Corp of America), Corning Precision Lens, KAI Precision Products, Q.C. Industries, E.I., In., A&A Safety, Inc., General Data Company, LeBlond Makino, Southern Ohio Manufacturing, Sano, Mobilized Systems, Automated Machinery, Rockwell Automation and Tri-State Fabricators. A significant development was the January 1999 announcement of the creation of ZF Batavia a joint venture between Ford Motor Co. and ZF, Friedrichshafen, AG a major supplier of high quality, high technology transmissions. The resulting partnership will invest \$650 million in the existing transmission plant, and increase employment to over 3000 by year 2003.

Clermont County Milford Commerce Park is a 250 acre mixed business development, which is designed for office, research, hotel, and light industrial purposes. The park is home to a \$14,000,000, 16 screen National Cinema complex, the Clermont Chamber of Commerce, Kerry Dodge, Texas Roadhouse, United Dairy Farmers, Target Department Store, Husky Injection Molding, Scanner Applications, Walter Foods, Ruby Tuesday Restaurant, Wendy's, Gold Star, Cracker Barrel Restaurant and New Creative Enterprise, which employs 450 workers.

Another area of significant economic activity is located in the Village of Williamsburg and Williamsburg Township. Milacron, and Dualite, Inc. are large employers in this part of east-central Clermont County. An application for foreign trade zone designation by Milacron for a 360 acre area was approved in December 1999.

The largest number of businesses are located in the areas of Union, Miami, and Batavia Townships because of inherent economic advantages such as close proximity to I-275, a major regional highway that provides ready access to the Cincinnati/Northern Kentucky International Airport, the City of Cincinnati and major regional arterial highways. These established centers also have access to all major utilities and infrastructure necessary to support larger development projects.

Since the inception of the Rural Enterprise Zone Program, Clermont County has granted 134 tax abatements to attract new employment and capital investments. These 134 transactions have generated more than 6,137 new jobs, retained more than 15,542 jobs with in the community and have resulted in more than \$2.6 billion being invested in Clermont County.

Future Economic Outlook

Current economic indicators have suggested that the current economy will remain sluggish, with the potential for an upstart in the last half of 2003, as rates remain low and corporate consumption picks up. Given these conditions, the County maintains an ultra conservative approach to spending while maximizing its local revenues. We anticipate over the next year a significant drop in sales tax revenues given the current economic indicators for this region. We also feel that the County will have to review alternative methods of intergovernmental funding. Since the State of Ohio's fiscal condition continues to flutter, the County's portion of state-based program revenue may also be affected by these economic conditions.

Given these factors, Clermont County's General Fund year end fund balance continues to remain healthy. The County continues to maintain a significant General Fund balance that should allow the County to meet its General Fund expenditures without facing shortages in resources. As a result of this prospering unreserved fund balance, the County has created a Budget Stabilization fund to safe guard against future economic factors. The \$25 million unreserved and undesignated fund balance on the modified accrual basis of accounting at December 31, 2002 represents approximately 56% of 2002 General Fund expenditures and other financing uses.

The real property tax revenues of the General Fund are derived entirely from inside millage (unvoted millage). The revenue structure of the General Fund is balanced so that the operation of the County is not overly dependent on one specific revenue source. This diversified revenue stream has provided an equitable means of generating revenues necessary for the operation of the offices administered by the elected officials, as well as for mandated contributions for welfare costs and discretionary grants to certain County organizations and special districts.

With the diverse Southwest Ohio economy, the prospects for 2002 and beyond still look promising. Clermont County's inclusion in the Greater Cincinnati Metropolitan area has been a key factor in the population growth that has been experienced in the past two decades. The County will continue to provide this area with an environment that offers the benefits of small town and/or country living within minutes of a large urban environment.

MAJOR COUNTY INITIATIVES

Current Year Projects

Auditor: Quality assurance was the objective when the Clermont County Auditor's Office performed the revaluation of real property in 2002. Required every six years, the primary purpose of the revaluation is to equalize the value of each property as it compares to similar properties. Using Clermont County Geographic Information Systems, sales ratio studies, improved neighborhood analysis, and reappraisal booklets, Clermont County was able to estimate values that resulted in a significant reduction of informal reviews, and Clermont County expects a reduction in valuation complaints.

Department of Environmental Quality: Clermont County has implemented an ambitious program to manage and protect the natural resources of the rivers, streams and lakes of Clermont County. The effort includes water monitoring and data analysis that provides sound scientific data, and a public stakeholder process through which citizens can provide input to help the County make policy decisions. The process involves partnerships with local stakeholders, US EPA, Ohio EPA, local universities, and industries. This collaborative effort establishes goals and direction to enable sustainable growth while maintaining environmental integrity.

The Office of Environmental Quality (OEQ) monitors chemical and physical parameters at sites along the East Fork River and its tributaries. Each site represents a specific drainage or watershed and/or land use. OEQ has also established five automatic sampling stations where continuous information about stream conditions is recorded and is available in real time on OEQ's web site www.oeq.net. This monitoring is used to assess various land use impacts on water quality and to help identify potential problems. Biological (fish, aquatic insects, and habitat) data are also collected each year to help monitor the condition of County streams. Additionally, OEQ has embarked upon a terrestrial monitoring program (birds, moths and insects) that will lead to the development of an index designed to monitor and protect headwater streams. Reports summarizing the results of OEQ's monitoring programs can be obtained by visiting www.oeq.net and selecting the "Reports" link under the main menu.

Brown, Clermont, Clinton, and Highland Counties are cooperating in the East Fork Watershed Collaborative to develop the Watershed Action Plan for the mutual benefit and protection of the East Fork Little Miami River. This is part of a long term strategy using cooperation with Ohio EPA and U.S. EPA in Project XLC Program, which stands for eXcellence and Leadership for Communities. Project XLC provides Clermont County with the regulatory flexibility needed to test innovative watershed management programs that will help achieve superior environmental performance. In 2002, OEQ completed draft watershed plans for the lower section of the East Fork with the assistance of the East Fork Watershed Coordinator, who is funded by the four counties and an Ohio Department of Natural Resources Grant. These plans position Clermont County for numerous funding opportunities in 2003.

Engineer: The 2002-2003 Snow Season for Clermont County was one of the worst in several years. To date, the highway department has used approximately 10,000 tons of salt for the 34 snow events this season. As a result, the County's salt supply dropped down to a mere 200 tons. To put this into perspective, last year we had only 9 snow events with 1,200 tons of salt used. Road crews were called out at least once a week since November. The County Engineer's office is responsible for 398 miles of roadway. It takes an average of 153 tons of salt to adequately treat the roads during any one snow event.

As a follow up to our year 2000 guardrail study, the Clermont County Engineer's office received a \$200,000 grant to replace guardrails in the County. This project will allow the County to install approximately 20,500 feet (4 miles) of guardrail on the Clermont County road system.

Municipal Court Adult Probation and Community Service: The Municipal Adult Probation Department assists Municipal Court by supervising and monitoring offenders placed on reporting probation. Levels of reporting probation include: regular reporting, pay-through, intensive supervision, and intensive treatment. Seven probation officers provide supervision services to the Municipal Court. In 2002, the department supervised 1,754 offenders. Of the total 1,754 offenders supervised, 629 were new referrals in 2002. During 2002, the department performed 2,908 drug screens, and collected \$87,527 in restitution for victims of crime. In addition, the department conducted 101 pre-sentence investigation reports, and supervised an additional 68 offenders for the Court while they were out of jail on bond.

The department received \$151,691 for 2002 from the Ohio Department of Rehabilitation and Correction [ODRC] for Intensive Supervision Probation [ISP] and Community Service jail diversion programs. The funding provided for one probation officer to provide intensive supervision to high risk misdemeanor offenders. ISP includes increased office visits, home and employment contacts, and strict treatment and/or counseling requirements. The program served 104 offenders for the year. The community service program received funding for one coordinator, one compliance officer, one work crew supervisor and vehicle fuel for the work crew vehicle. 2,217 offenders were referred to the community service program and completed 70,573 hours in 2002. In addition to serving Municipal Court, the program also served 195 Common Pleas Court offenders who were referred to perform 24,275 hours of community service work. 9,005 hours had been completed as of December 31, 2002.

Sheriff: The installation and use of in-car mobile computers began in November, 2002. While on patrol, deputies in their cruisers may perform license, registration and warrant inquiries, receive dispatch calls, and send messages to other patrol units. The computers minimize voice transmissions on the county's communication network, and enhance safety for law enforcement officers in Clermont County. In 2002 the Special Response Team received two new emergency response vehicles. The first is a retired life squad donated to the Sheriff's Office by the Union Township Trustees. The detailing and modification work on the squad vehicle was performed by Eagle Coach of Amelia. Students from U.S. Grant Vocational School in Bethel undertook the community service project of preparing, painting and detailing the second donated vehicle; a retired fleet vehicle obtained from a Cincinnati armored truck company. Patrol supervisors were trained in 2002 in several new methods of less than lethal force. Each patrol supervisor vehicle is now equipped with a taser unit and "beanbag" device. These devices may be used to subdue combative suspects with minimal risk of injury to the suspect and deputy, and avert the use of more lethal force

Also, in 2002, all deputies were trained and certified through the American Heart Association in CPR and the use of automated electronic defibrillators (AEDs). Carried while on patrol, a deputy often may be the first to arrive at a cardiac medical emergency, and is now able to perform life saving aid until the life squad arrives.

In 2002, 96 minimum security beds were added to the jail, bringing the total number of beds to 360. Jail renovations were completed in 2002 to provide a classification area, additional holding cells, and a medical waiting area. Over 360,000 inmate meals were served at a cost of \$0.93 each. Once again, as in several previous years, the jail was determined to be in full compliance with relevant Ohio jail standards during the annual inspection by the Bureau of Adult Detention.

Water and Sewer: Water and Sewer operations provide water and wastewater services to the residents of Clermont County in the interest of public health, safety and protection of the environment. The Clermont County Sewer District (CCSD) operates three water treatment plants and 10 wastewater treatment plants, daily producing an average of 13 million gallons of drinking water and treating an average of 12 million gallons of wastewater. In 2002, CCSD completed construction of the Nine Mile Regional Wastewater Treatment Plant expansion which increased capacity from 1.8 million gallons per day to 3.0 million gallons per day while significantly improving the effluent water quality. The percent removals of pollutants averages 99.5%.

Also in 2002, CCSD completed construction of the Lower East Fork Regional Wastewater Treatment Plant expansion which increased capacity from seven million gallons per day to nine million gallons per day while eliminating the use of chlorine gas as a disinfection agent. The plant now utilizes environmental friendly UltraViolet light. The plant is also improving the quality of its effluent due to the improvements during this expansion. The Engineering Construction Division completed 13 construction projects totaling \$14,600,000 construction expenses in 2002 including the expansion at Nine Mile and Lower East Fork Wastewater Treatment Plants. Another 15 projects are under design and nearing time to bid during the first half of 2003.

The County received a special recognition award for Advancement of the Design Build Process in Ohio. Clermont County was the first public entity in Ohio to use Design Build.

Clermont County Transportation Connection: Clermont Transportation Connection is Clermont County's only general public transit service. 2002 marked the 25th Anniversary of rural transit service to the citizens of Clermont County. The Board of Clermont County Commissioners proclaimed October 10, 2002 as CTC Customer Appreciation Day; an open house was held to celebrate the importance of bus service to the citizens of Clermont County.

During 2002, the safety of passengers and staff continued to dominate plans and action. Due to the tragedy the nation suffered on September 11, 2001, safety, security and emergency preparedness were high on the list of priority. Training at the county and state level were attended by staff to better prepare, identify and react to emergency situations. In keeping with requirements and our focus on the customer, numerous training sessions were attended by CTC staff, Drug and Alcohol Reasonable Suspicion and Americans with Disabilities, to name a few. Capital items were replaced, five new buses were received.

The department upgraded dispatching computers and software and the radio and telephone recording system. In coordination with the County's ISD, an updated mapping system project was completed and the website was revised.

Census 2000 information, received by the Federal Transit Administration, concludes that due to the increased population in Batavia, Union and Miami Townships, beginning January 1, 2004, for transit purposes, Clermont County will be considered an urban system. In 2003, CTC will begin the transition from a rural to urban transit system. CTC has begun to investigate what, if any, impact our current level of service may realize due to this new designation. We will be included in the Cincinnati Urbanized System. Discussions have begun with the Ohio Department of Transportation, OKI and Southwest Ohio Regional Transit Authority/METRO.

DJFS Employment Services Division: Clermont County was approved to receive up to \$500,000 under the Appalachian Technology and Workforce Development Initiative (ATWDI) grant, which was awarded to several Appalachian counties across southern Ohio by the Governor's Office of Appalachia. These ATWDI funds will be utilized for workforce development, technology expansion, job training, and the creation and retention of job services including a computer training program that can result in a free computer and printer for successful graduates.

The Child Care Unit staff was increased by 2 employees in 2002 in order to enhance both customer and provider services. In addition, grant funds purchased 11 computers that have been distributed to in-home child care providers to assist in the early childhood education of children in care. The Child Care Unit maintains an average caseload of 521 families and serves 917 children. The unit works with 32 in-home child care providers and 84 child care centers. In addition, Employment Services is participating in the National WebCheck Pilot Program to conduct civilian fingerprint background checks against the Ohio Automated Fingerprint Identification System (AFIS) and the Federal Bureau of Investigation's records via the Internet. The system will significantly improve the response time. Background checks are completed on new employees, Foster Care and Adoptive Parent applicants, and In-home Child Care Provider applicants.

Employment Services administers all federally mandated Public Assistance and Food Stamp programs. In 2002, Employment Services issued a total of \$1,853,949 in Ohio Works First (OWF) assistance to an average of 858 recipients, \$6,258,399 in Food Stamps to 5,380 recipients, and \$176,298 in Disability Assistance to 128 recipients. Additionally, there were 16,271 eligible Medicaid recipients which include adults and children. Employment Services manages an average of 7,920 Public Assistance and Food Stamp cases monthly. In 2002, Employment Services case managers initiated 5,808 new applications and completed 10,824 reviews for continuing program eligibility. Employment Services continuously focuses on Food Stamp payment accuracy and is monitored by both the Federal Quality Control and the State Top Error Element Review processes. For fiscal year ending September 30, 2002, the payment accuracy rate was 98.76%. As a result of this success, the Employment Services division earned approximately \$48,675 in incentive dollars for the department by exceeding the 96% state requirement.

Employment Services has aggressively managed the business functions of the Benefit Recovery (BV) Unit over the past year. In 2002, BV investigated 915 new complaints and pursued collection activity on 1,550 claims. Their recovery efforts resulted in the collection of \$201,795.

Future Projects

On November 13, 2001, the Board of County Commissioners authorized the issuance of \$19,995,000 of general obligation bonds to finance various projects in the County. \$8,850,000 will be used to finance the construction, equipping and installation of a new Municipal Court Facility. The new Courthouse will be a one-story building with five courtrooms and a one-stop facility for people paying traffic tickets, for those in need of the public defender, prosecutor, mediation and other services. Plenty of parking will be available, plus enough ground to double the court space in time if needed. Construction began in 2002, with completion in the fall of 2003.

In addition, \$2,330,000 will be utilized to finance the construction of a new Juvenile Detention Facility in conjunction with a \$2.2 million state grant from the Ohio Department of Youth Services. The grant money combined with the \$2.3 million will enable the County to break ground on the new Juvenile Detention Center. The new facility will contain 36 beds, which will increase Juvenile Court's options. The Court will be able to opt to institute 30-60-90 day programs to treat children locally, instead of sending them outside the County.

After years of planning, design and funding issues, the intersection of Branch Hill Guinea Pike and Loveland Miami road will be improved. The improvement will include the addition of turn lanes, traffic signals, and drainage improvements. The project went out to bid in April of 2003, with construction scheduled for June. The estimated construction cost for this project is \$1,150,000. Eighty percent of this amount is funded through the Ohio Department of Transportation and the other twenty percent through local funds.

Also, set to be constructed in 2003, is the New Clermont County Animal Shelter. The new 10,750 square foot animal shelter will almost double the size of the current facility and will include separate dog, cat and puppy kennels for the increasing pet population that in 2001 amounted to more than 5,500 stray animals. The \$800,000 shelter, is being constructed through a unique financial partnership between Clermont County and the Clermont County Humane Society with additional funding from the State of Ohio. The new shelter has an expected completion date of August 2003.

Construction on the Miami Trails Wastewater Treatment Plant Expansion was started in 2002. The expansion will double the capacity at this facility to 400,000 gallons per day. The scheduled completion for the expansion is August 2003. In addition, the Clermont County Water and Sewer District began construction on a new two million gallon elevated storage tank at S.R. 131 and Buckwheat Road in Miami Township. The additional storage will help meet heavy demands for water in the Miami Township area. Completion of the project is expected in May 2003.

FINANCIAL INFORMATION

Accounting System and Internal Control

The County's accounting system is organized on a "fund" basis. Each fund is a distinct self balancing accounting entity. The County's day-to-day accounting and budgetary records are maintained on a basis other than Generally Accepted Accounting Principles (GAAP). For financial reporting purposes, the accounting records are converted to the modified and full accrual basis for all applicable funds. On the modified accrual basis, revenues are recognized when measurable and available, and expenditures are recognized when goods and services are received. On the full accrual basis, revenues are recognized when measurable and earned; expenses are recognized when incurred.

The basis of accounting and presentation of the various funds utilized by Clermont County are fully described in Note B of the basic financial statements. Additional budgetary information can be found in Note C.

In developing the County's accounting system, much consideration was given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) 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 costs of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

Budgetary Controls

The Board of County Commissioners adopted the 2002 annual budget for the County in December, 2001. All disbursements and transfers of cash between funds require appropriation authority from the Commissioners. Budgets are controlled at the major object level within a department and fund. All purchase orders must be approved by department heads and submitted to the County Auditor for processing. The necessary funds are encumbered and the purchase order released to the vendors; those purchase orders which exceed the available appropriation are rejected until additional funds are secured.

Cash Management

The County pools its cash to simplify cash management. All idle monies are invested, with the earnings allocated to the General Fund and other qualifying funds as prescribed by Ohio law. The County invests primarily in Certificates of Deposit, U.S. Government Securities, U.S. Government Backed Securities, Federal Agency securities, Mutual Funds, Repurchase agreements and the State Treasury Asset Reserve Program. Investments are reported at fair value which is based on quoted market prices. The County Treasurer makes such commitments of County resources only with federally insured financial institutions, and with the State of Ohio.

Certain deposits are collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the County's name. Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment with a current market value at least equal to 105% of all public monies on deposit with the depository, 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.

Risk Management

Clermont County is continuing its efforts to use alternative coverage to get the maximum amount of insurance coverage for the minimum amount of premiums. In 2002, the County carried comprehensive general liability including law enforcement liability, blanket crime coverage, public officials liability insurance, fleet insurance, and a comprehensive boiler and machinery coverage.

Clermont County enforces a program permitting only those employees with "good driving records" to operate any County vehicle. An employee's driving record is validated through the Ohio Bureau of Motor Vehicles upon employment and is checked periodically after that.

The County maintains a Workmen's Compensation Fund for the administration of a Workers' Compensation program to reduce employee risk, decrease the County's workers' compensation liability and to measure and recover the cost of providing the program to departments of the County.

Health Benefits

After ninety days of full time employment, each new employee is eligible for health care benefits provided by the County. The County has elected to provide employees major medical, vision and hospitalization through a self-insured program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. Third party administrators, Anthem Blue Cross and Blue Shield and Dental Care Plus Insurance Companies, review all claims which are then paid by the County. The County purchases stop-loss coverage of \$100,000 per employee and an aggregate limit of \$1,000,000. The County pays into the self-insurance internal service fund \$583.62 for family coverage and \$302.90 for individual coverage per employee per month which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information.

INDEPENDENT AUDIT

Included in this report is an Auditor of State unqualified opinion rendered on the County's financial position, and results of operations, as well as its existing assets and liabilities, as reported in the basic financial statements for the year ended December 31, 2002. An annual, independent audit of the County's financial statements is part of the annual preparation of a Comprehensive Annual Financial Report. This annual, independent audit continues to provide a review and comments which strengthen the County's accounting and budgetary controls.

GFOA CERTIFICATE OF ACHIEVEMENT

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

The 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 certification.

ACKNOWLEDGMENTS

Clermont County is proud to have been one of the first counties in Ohio to prepare a comprehensive financial report in conformity with generally accepted accounting principles (GAAP) and to implement the new reporting model as promulgated by GASB Statement No. 34 along with the precise guidelines established by the Government Finance Officers Association (GFOA).

The preparation of this report could not have been accomplished without the dedicated effort of a number of employees within the County Auditor's Office and the audit and local government services divisions of the Auditor of the State of Ohio. We also extend appreciation to the County's other elected officials and department heads for their contributions and continued support of this project.

I would especially like to recognize Charles F. Tilbury, Jr., Chief Deputy Auditor, Christopher T. Mehlman, Deputy Auditor - Financial Operations, Shirley Foley, Special Projects Manager and the County Auditor's fiscal department for their dedication toward the successful completion of this project.

Respectfully,



Linda L. Fraley
Clermont County Auditor

**CLERMONT COUNTY, OHIO
ELECTED OFFICIALS**

BOARD OF COUNTY COMMISSIONERS:

Robert L. Proud President
Mary Walker Vice President
R. Scott Croswell III Member

OTHER ELECTED OFFICIALS:

Linda L. Fraley Auditor
David R. Caudill, Jr. Clerk of Courts
Dr. Brian N. Treon Coroner
Patrick Manger Engineer
Donald W. White Prosecutor
Carolyn Green Recorder
Albert (Tim) Rodenberg, Jr. Sheriff
J. Robert True Treasurer

TWELFTH DISTRICT COURT OF APPEALS:

Stephen Powell Presiding Judge
Anthony Valen Judge
James E. Walsh Judge
William W. Young Judge

COMMON PLEAS COURT

General Division:

Robert P. Ringland Administrative and Presiding Judge
Jerry R. McBride Judge
William Walker Judge

Domestic Relations Division:

Michael J. Voris Judge

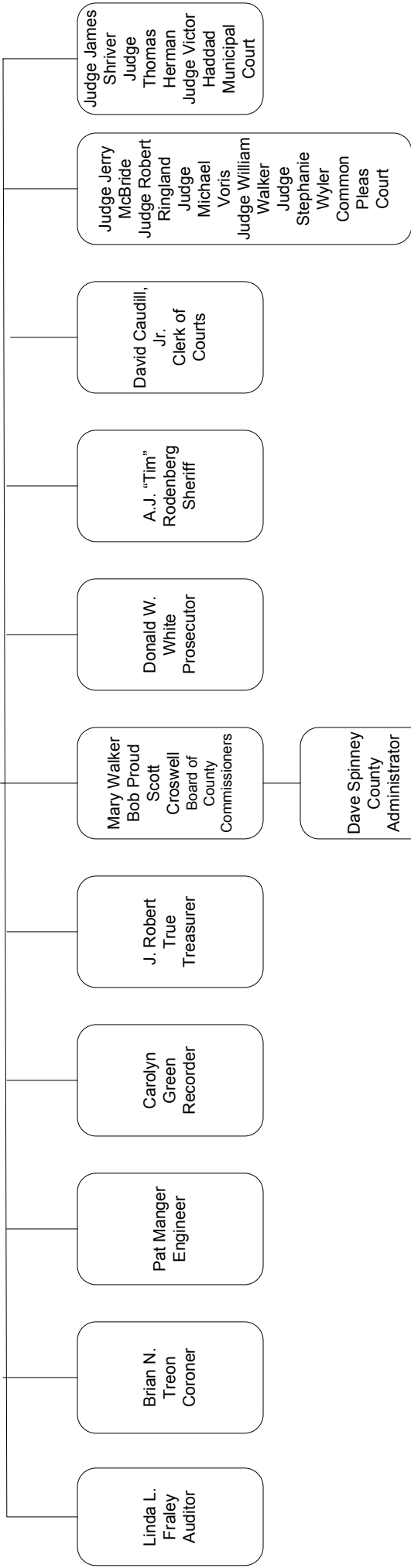
Juvenile and Probate Division:

Stephanie Wyler Judge

MUNICIPAL COURT

James A. Shriver Administrative Judge
Thomas R. Herman Judge
Victor M. Haddad Judge

The People of Clermont County



County Commissions
 Automatic Data Processing Board
 Board of Elections
 Board of Revision
 Budget Commission
 Record Commission
 Veteran Service Commission

County Boards and Affiliated Organizations
 Alcohol Drug Addiction and Mental Health Clerco, Inc.
 Metropolitan Housing Authority
 Agricultural Society
 Child Focus
 Clermont County Law Library Recovery Center
 Soil and Water Conservation District
 Bd of Mental Retardation & Developmental Disabilities Convention and Visitor Bureau Park District
 Board of Health
 Clermont County Community Services, Inc.
 County Board of Education
 Senior Services, Inc.
 Adams, Brown, Clermont Solid Waste District

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Clermont 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

FINANCIAL SECTION



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Clermont County
101 East Main Street
Batavia, Ohio 45103

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont County, Ohio (the County), as of and for the fiscal year ended December 31, 2002, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Clermont County Sewer District and the Clermont County Water District, which represent all the assets and revenues of the Business-Type Activities and the County Sewer District and County Water District major enterprise funds. Other auditors audited those financial statements. They have furnished their report thereon to us, and we base our opinion, insofar as it relates to the amounts included for the Business Type Activities and County Sewer District And County Water District major enterprise funds 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Clermont County, Ohio as of December 31, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Social Services Fund, and Motor Vehicle and Gas Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 30, 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.

Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information the Governmental Accounting Standards Board requires. We applied 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 thereon.

We performed our audit to form an opinion on the basic financial statements of the County, taken as a whole. The combining and individual fund statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the basic financial statements. We subjected this information to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

We did not audit the data included in the introductory and statistical sections of this report and therefore express no opinion thereon.

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

Betty Montgomery
Auditor of State

May 30, 2003

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

The discussion and analysis of Clermont County's financial performance provides an overall review 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:

- The assets of the County exceeded its liabilities at the close of the year ended December 31, 2002, by \$375.3 million (net assets). Of this amount, \$14.6 million (unrestricted net assets) may be used to meet the County's ongoing obligations to citizens and creditors, and \$81.4 million is classified as unrestricted in the Water and Sewer activities.
- The County's total net assets increased by \$23.6 million, which represents a 6.72% increase from 2001.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$64.2 million, an increase of \$1.7 million from the prior year. Of this amount, \$57.2 million is available for spending (unreserved fund balance) on behalf of its citizens.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$27.3 million, or 61% of total general fund expenditures and other financing uses.
- Clermont County's total debt decreased by \$6.2 million which represents a 6.2% decrease in debt related to governmental activities and a 3.4% decrease in debt related to business-type activities.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Clermont County as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the County's most significant funds with all other non-major funds presented in total in one column.

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Reporting Clermont County as a Whole

Statement of Net Assets and the Statement of Activities

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. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by the private sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when the cash is received or paid.

These two statements report the County's net assets and the change in those assets. This 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 County 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 services are reported here including police, social services programs, administration, and all departments with the exception of our Water and Sewer funds.
- ◆ Business-Type Activities- These services have a charge based upon the amount of usage. The County charges fees to recoup the cost of the entire operation of our Water and Sewer Plants as well as all capital expenses associated with these facilities.
- ◆ Component Units-The County includes financial data of the County Board of Mental Retardation and Developmental Disabilities (MRDD) and the Mental Health and Recovery Board (MHRB) in its report. The component units are separate and may buy, sell lease and mortgage property in their own name and can sue or be sued in their own name.

Reporting Clermont County's Most Significant Funds

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 reports provide detailed information about the County's major funds. Based on restrictions on the use of monies, the County has established many funds which account for the multitude of services provided to our residents. However, these fund financial statements focus on the County's most significant funds. In the case of Clermont County, our major funds are the General, Social Services, Motor Vehicle and Gas, Judicial Projects and County Capital Improvements. The analysis of the County's major funds begins on page 23.

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Governmental Funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is more 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 in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-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 in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The governmental fund financial statements can be found on pages 84-90 of 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 in the government-wide financial statements. The County uses enterprise funds to account for its Water and Sewer operations. Internal Service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its self-insurance, fleet maintenance, telephone company and worker's compensation programs. The proprietary fund financial statements can be found on pages 37-40 of this report.

Fiduciary Funds: Are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that of the proprietary funds. The fiduciary fund financial statements can be found on page 41 of this report.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 45 of this report.

Other information: In addition to the basic financial statements and accompanying notes, this report also presents combining and individual fund statements and schedules which begin on page 81 of this report.

Clermont County, Ohio
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Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$375.3 million (\$156.9 million in governmental activities and \$218.4 million in business type activities) as of December 31, 2002. By far, the largest portion of the County's net assets (58%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt used to acquire those assets that are 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.

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

Table 1
Net Assets
(In Millions)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Assets						
Current & Other Assets	\$108.1	\$106.8	\$100.3	\$100.2	\$208.4	\$207.0
Capital Assets, Net	<u>122.5</u>	<u>113.5</u>	<u>211.6</u>	<u>205.3</u>	<u>334.1</u>	<u>318.8</u>
<i>Total Assets</i>	<u>230.6</u>	<u>220.3</u>	<u>311.9</u>	<u>305.5</u>	<u>542.5</u>	<u>525.8</u>
Liabilities						
Current & Other Liabilities	(25.6)	(24.8)	(2.7)	(3.5)	(28.3)	(28.3)
Long-Term Liabilities						
Due Within One Year	(5.5)	(5.1)	(3.4)	(3.3)	(8.9)	(8.4)
Due in More Than One Year	<u>(42.6)</u>	<u>(46.7)</u>	<u>(87.4)</u>	<u>(90.8)</u>	<u>(130.0)</u>	<u>(137.5)</u>
<i>Total Liabilities</i>	<u>(73.7)</u>	<u>(76.6)</u>	<u>(93.5)</u>	<u>(97.6)</u>	<u>(167.2)</u>	<u>(174.2)</u>
Net Assets						
Invested in Capital	95.1	83.5	120.7	111.2	215.8	198.1
Assets Net of Debt						
Restricted:						
Capital Projects	23.7	26.2	-0-	-0-	23.7	23.2
Debt Service	5.6	5.7	16.4	7.9	22.0	13.6
Other Purposes	17.9	17.3	-0-	-0-	17.9	16.9
Unrestricted	<u>14.6</u>	<u>11.0</u>	<u>81.3</u>	<u>88.8</u>	<u>95.9</u>	<u>99.8</u>
<i>Total Net Assets</i>	<u>\$156.9</u>	<u>\$143.7</u>	<u>\$218.4</u>	<u>\$207.9</u>	<u>\$375.3</u>	<u>\$351.6</u>

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An additional portion of the County's net assets represents resources that are subject to external restrictions on how they may be used. In the current fiscal year, this represented \$60.1 million or 16% of net assets. The remaining \$95.9 million or 26% of net assets may be used to meet the County's ongoing obligations to its citizens and creditors and for Water and Sewer activities.

As of December 31, 2002, the County is able to report positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

Total assets increased \$16.7 million. \$15.3 million can be attributed to an increase in net capital assets.

Table 2 below provides a summary of the changes in net assets for 2002 compared to 2001

Table 2
Changes in Net Assets
(In Millions)

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
Revenues						
Program Revenues:						
Charges for Services	\$21.4	\$19.3	\$25.5	\$23.7	\$46.9	\$43.0
Operating Grants, Contributions and Interest	30.8	29.8	-0-	-0-	30.8	29.8
Capital Grants and Contributions	5.5	3.3	8.0	8.5	13.5	11.8
General Revenues:						
Property Taxes	17.0	13.9	-0-	-0-	17.0	13.9
Sales Taxes	19.5	20.3	-0-	-0-	19.5	20.3
Other Taxes	.3	.3	-0-	-0-	.3	.3
Unrestricted Grants	5.9	4.2	-0-	-0-	5.9	4.2
Other	5.3	12.1	-0-	-0-	5.3	12.1
Water and Sewer	<u>-0-</u>	<u>-0-</u>	<u>2.9</u>	<u>5.0</u>	<u>2.9</u>	<u>5.0</u>
Total Revenues	<u>105.7</u>	<u>103.2</u>	<u>36.4</u>	<u>37.2</u>	<u>142.1</u>	<u>140.4</u>
Program Expenses						
General Government:						
Legislative and Executive	19.5	19.0	-0-	-0-	19.5	19.0
Judicial System	7.5	7.2	-0-	-0-	7.5	7.2
Public Safety	22.5	22.8	-0-	-0-	22.5	22.8
Public Works	7.1	9.6	-0-	-0-	7.1	9.6
Health	.8	.8	-0-	-0-	.8	.8
Human Services	28.3	25.8	-0-	-0-	28.3	25.8
Community Development	2.6	5.9	-0-	-0-	2.6	5.9
Transportation	1.7	1.2	-0-	-0-	1.7	1.2
Interest and Fiscal Charges	2.3	2.0	-0-	-0-	2.3	2.0
Water and Sewer	<u>-0-</u>	<u>-0-</u>	<u>26.2</u>	<u>26.5</u>	<u>26.2</u>	<u>26.5</u>
Total Expenses	<u>92.3</u>	<u>94.3</u>	<u>26.2</u>	<u>26.5</u>	<u>118.5</u>	<u>120.8</u>
Increase in Net Assets before transfers	<u>13.4</u>	<u>8.9</u>	<u>10.2</u>	<u>10.7</u>	<u>23.6</u>	<u>19.6</u>
Transfers	<u>(.3)</u>	<u>(.04)</u>	<u>.3</u>	<u>.04</u>	<u>-0-</u>	<u>-0-</u>
Increase in Net Assets	<u>\$13.1</u>	<u>\$8.9</u>	<u>10.5</u>	<u>10.7</u>	<u>23.6</u>	<u>19.6</u>

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Governmental Activities

The legislative and executive programs of the County represent the activities related to the governing body and other elected officials in the performance of their primary duties and subsidiary activities. These activities directly support other programs of the County and service its citizens. In 2002, this represented 21% of the County's total expenses.

The County's public safety programs saw a drastic change in how we manage the security of the County and its citizens after the events of September 11th. With the inception of the 800 MHz system, an upgraded 911 center and a better awareness for issues which pose threats to our safety, public safety programs decreased spending by \$.3 million after initial increases in public services in 2001. The County's Sheriff's office and Board of County Commissioners strive to ensure that the public's safety is its first priority. Whether that includes increased patrol, security for water and sewer functions, disaster scenarios, disaster recovery or expansion of existing jail facilities, the County's perspective of security has changed.

The County's Social Services programs increased its services in 2002. Allowing individuals to benefit socially and economically. Social Services programs continue to be the largest program within the County. In 2002, program expenses increased by \$2.4 million, and the overall program represented 31% of the general government expenses. These increased services were funded in part by the initial collection of a Children's Services replacement levy and the Senior Services' replacement and additional levies. The Children's Services and Senior Services levies increased the general tax revenue of the social services programs by \$1.4 million. In addition, subsidies related to social services programs continues to be the County's largest intergovernmental contributions. Roughly 54% of the County's intergovernmental revenue is allocated to these programs. In 2002, these programs saw a decrease of \$.9 million as a result of prior year deferrals.

The County's aggressive strategy to secure the maximum amount of grants and contributions that are provided by the state and federal governments continues to be productive. The County continues to explore and acquire new intergovernmental revenue streams. Grants related to the County's public works program, which included OPWC grants, federal and state highway safety and construction grants accounted for 21% of the County's intergovernmental revenue. A significant portion of these construction grants are in conjunction with the State Route 32/Olive Branch Interchange project. In 2002, the County spent \$2 million in federal dollars related to this project. Other significant grants include the Community Development Block Grant and the County-wide Hazard Mitigation, VOITIS Sub-Grant, Reclaim Ohio/Youth Services Subsidy and the TASC New Life grant.

Business-Type Activities

In 2002, the County's Water and Sewer Systems realized its first comparative increase in operating revenues since the County rolled back rates in October of 2000. In the County's Water and Sewer funds, operating revenues increased by \$1.8 million, while total expenses decreased \$.3 million. As a result, the County's Water and Sewer operations recorded an increase of \$2.1 million in operating income from 2001. Capital contributions decreased by \$.5 million as a result of a reduction in donated assets during the year, and the amount of construction projects still outstanding at year end. Of the \$8 million capital contribution, \$2.8 million represented non-cash or donated assets.

On May 14, 2003, the Clermont County Commissioners executed a resolution that would mutually terminate an agreement with Earth Tech, Inc. to maintain the County's wastewater treatment facilities. In recent years the Clermont County Sewer operations have undergone significant changes including construction of new and expanded facilities, changing environmental regulations, implementation of the phase II storm water regulations, and finalization of the CECOS closure plan. The additional duties, not specified in the original contract with Earth Tech, would require the rebidding or reclaiming of the wastewater operations by the County.

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Financial Analysis of the County's 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 fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$64.2 million. Approximately \$57.2 of this amount constitutes unreserved fund balance, which is available for spending for its citizens. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior year (\$6.9 million), 2) to account for the reservation of loans (\$.1 million) and to designate funds for budget stabilization (\$2.3 million). 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 their being restricted for use for a particular purpose mandated by the source of the resources such as the state and federal governments or a tax levy.

The general fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$27.3 million, while the total fund balance reached \$28.6 million. 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 approximately 61% of the total general fund expenditures and other financing uses, while total fund balance represents 64% of that same amount.

The fund balance of the County's general fund increased by \$3.4 million during the current fiscal year with revenues exceeding expenditures by \$8.3 million. Key factors in this increase are as follows:

- The County's General fund government programs (legislative and executive and judicial) represent activities related to the governing body, judicial activities and other elected officials in the performance of their primary duties and subsidiary activities. These general government programs incorporated internal cost cutting and other diligent savings programs that allowed the County's General fund general government programs to operate with a minimal increase (1%) to its expenditures. These activities directly support other programs of the County and service its citizens.
- An increase in the charges for services in the amount of \$ 1.1 million was the result of a continuing trend in the number of home refinancing. The County recorder's office saw an noted increase in recorded transaction fees.
- In addition, the County's largest tax revenue source is its sales tax. During 2002, the County felt the effects of a slowing economy yet local spending levels were maintained by consumer consumption. During calendar year 2002, the County's sale tax revenue increased \$.7 million dollars. However, projections continue to indicate the obvious, that the economy will continue to sputter, and as a result the County will have to rely on other sources of revenue and cost cutting measures to maintain its level of service to the citizens of the County.

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In January of 2002, an additional licence tax for the construction and improvement of the County's roads and bridges, increased the Motor, Vehicle and Gas funds tax revenue by \$.6 million. As a result of the additional revenue, the Engineer's office as expanded its construction and improvement of County bridges.

General Fund Budgeting 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. The most significant budgeted fund is the General Fund.

During the course of 2002, the County amended its general fund budget numerous times, the most significant noted below. All recommendations for the budget came from the Office of Management and Budget for review before going to the Board of County Commissioners for adoption of a resolution on the change. The Board of County Commissioners also approves small interdepartmental budget changes that modify line items within departments within the same fund. With the General fund supporting many of our major activities such as our public safety programs, as well as most legislative and executive activities, the General Fund is monitored closely looking for possible revenue shortfalls or over spending by individual departments. A summary of noted differences and explanations:

- Differences between the original budgeted revenues and the final budgeted revenues were \$.06 million, and were due to an increase for intergovernmental revenues.
- The most significant change resulted a \$.6 million increase in the County's public safety activity. This increase was the result of increased costs related to heightened security and overtime. In addition, only half of the \$.6 million was utilized. Overall, General Fund activities' budgets were increased \$ 1 million, yet actual expenditures remained less than the original appropriation.
- Once again, the County's elected officials and department heads worked with the County Commissioners to maintain effective programs for its citizens without the increased expenditures related to its legislative and executive programs. The legislative and executive activities did not utilize \$.3 million of the original appropriation necessary to operate those activities.
- Transfers out budget was increased significantly during 2002 to account for debt service charges, matching portion of grants, legal requirements and capital expenditures, however, none of the increase was utilized.

Capital Assets and Debt Administration

Capital Assets: The County's investment in capital assets for its governmental and business type activities as of December 31, 2002, amounts to \$215.8 million (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and systems, improvements, equipment and machinery, roads, highways, and bridges.

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

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Major capital asset events during the current year included the following:

- During 2002, the Clermont County Engineer's Office continued its replacement and improvement capital plan by replacing several deficient bridges and completed several roadway improvement projects. The overall cost for these projects was \$5.6 million. Various funding sources were used including Ohio Public Works Commission (OPWC), Ohio Department of Transportation (ODOT), Board of Clermont County Commissioners, and the County Engineer funds.
- In 2002, approximately 27 miles of County roads were paved at a cost of \$.9 million.
- Also in 2002, the Sheriff's office was able to reap the benefits from the additional space provided by the adult detention expansion and booking area. The improvements' overall cost was roughly \$2.6 million, but the savings related to internal housing compared to housing at a neighboring facility will benefit the County for years to come.
- Received \$1.4 million of waterlines from developers.
- Received \$ 1.4 million of sewer lines from developers.
- 2002, also saw the completion of the Nine Mile Treatment Plant and Lower East Fork Treatment Plant expansions. These plant expansions cost \$6.9 million and \$ 4.5 million respectively.

Long-term Debt: At the end of 2002, the County had general obligation debt outstanding of \$44.8 million. Of this amount, \$40.7 million comprises debt backed by the full faith and credit of the County, \$.3 million comprises of OPWC commitments to be repaid from MV&G funds and \$3.8 million is special assessment debt for which the County is liable in the event of default by the property owner subject to the assessment.

The County's long-term general obligation debt decreased by \$ 3 million or 6.3% during the 2002 fiscal year, and the County's Water and Sewer debt decreased \$3.2 million or 3.4%. The County maintains an Aa3 rating from Moody's for general obligation debt. State statute limits the total amount of debt a governmental entity may issue. The current unvoted debt margin for the County is \$10.7 million.

In addition to the bonded debt, the County's long-term obligations includes compensated absences. Additional information on the County's long-term debt can be found in Note I of this report. Note J provides information regarding bond anticipation notes.

The only bond anticipation note outstanding as of December 31, 2002, was for capital road projects which will be assessed upon completion with the infrastructure assets being included in the County's capital assets.

Interest and fiscal charges for 2002, were \$2.3 million or 2.5% of the total governmental activities expenses.

Economic Factors and Next Year's Budgets and Rates

Clermont County has experienced substantial growth in the last two decades, aided by expansion of I-275 and the opening of I-471 between I-275 and downtown Cincinnati. With the increased accessibility, a probusiness environment and an abundance of low-cost available property, Clermont County continues to flourish in residential and commercial growth.

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Unaudited

Clermont County continued its position of rapid growth in 2002. Woods and Poole, Inc. based in Washington, D.C., ranks Clermont County third in projected population growth in Ohio for the period 1997-2005, as compared to the other 88 counties in the state. Over the past six years, Clermont County has consistently been one of the fastest growing counties in Ohio, with a population exceeding 184,000. Growth components in which Clermont has consistently been at or near the top among Ohio counties include: Population Growth; New Housing Starts; Retail Sales Growth; New Business Start Ups and Formations and Patent and Copyright Registrations. It also projects Clermont County to be the third fastest growing County employment-wise in the State through the year 2005. The County unemployment rate of 4.5% at December 31, 2002 compares to 5.2 % for the State of Ohio and 5.7% for the United States.

Current economic indicators have suggested that the current economy will remain sluggish, with the potential for an upstart in the last half of 2003, as rates remain low and corporate consumption picks up. Given these conditions, the County maintains an ultra conservative approach to spending while maximizing its local revenues. We anticipate over the next year a significant drop in sales tax revenues given the current economic indicators for this region. We also feel that the County will have to review alternative methods of intergovernmental funding. Since the State of Ohio's fiscal condition continues to flutter, the County's portion of state-based program revenue may also be affected by these economic conditions.

All of these factors' were considered in the preparation of the County's 2003 budget. In conjunction with current economic factors, the County reduced its anticipated spending for 2003, and asked other elected officials and department heads to freeze hiring and put freezes on salaries, technology and capital outlay. The County has maintained a standard of limiting appropriations to those revenues that were received in the prior year. This approach has allowed the County to maintain a prospering unreserved fund balance which will accumulate the County's resources to benefit necessary safety, social service and capital programs without an additional burden to its citizens. As a result of this prospering unreserved fund balance, the County has created a Budget Stabilization fund to safe guard against economic factors that the County may have to face in the future.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, creditors, and investors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Linda L. Fraley, Clermont County Auditor, 101 East Main Street, Batavia, Ohio 45103, (513) 732-7150, (email at lfraley@co.clermont.oh.us.) or visit the County website at www.clermont.oh.us.

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

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
Assets				
Equity in Pooled Cash and Cash Equivalents	\$72,774,834	\$7,408,777	\$80,183,611	\$10,388,937
Cash and Cash Equivalents in Segregated Accounts	0	4,273,305	4,273,305	43,678
Investments in Segregated Accounts	0	62,567,401	62,567,401	0
Accounts Receivable	426,437	4,509,278	4,935,715	89,008
Accrued Interest Receivable	616,197	0	616,197	0
Intergovernmental Receivable	9,072,743	0	9,072,743	6,486,355
Taxes Receivable	20,110,995	0	20,110,995	5,655,874
Internal Balances	(433,613)	433,613	0	0
Prepaid Items	90,462	0	90,462	45,354
Inventory of Supplies at Cost	0	265,616	265,616	2,490
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	0	238,405	238,405	0
Cash and Cash Equivalents in Segregated Accounts	0	502,997	502,997	4,312
Investments in Segregated Accounts	0	16,119,125	16,119,125	0
Retainage Accounts	0	467,906	467,906	0
Accrued Interest	0	442,149	442,149	0
Grants Receivable	0	171,579	171,579	0
Loans Receivable	99,224	1,029,095	1,128,319	0
Unamortized Financing Costs	0	1,619,450	1,619,450	0
Special Assessments Receivable	5,323,868	0	5,323,868	0
Other Non-Current Receivables	0	279,626	279,626	0
Land and Construction in Progress	21,948,377	15,998,782	37,947,159	482,517
Depreciable Capital Assets, Net	100,595,046	195,616,172	296,211,218	7,109,479
Total Assets	\$230,624,570	\$311,943,276	\$542,567,846	\$30,308,004
Liabilities				
Accounts Payable	\$3,367,319	\$905,531	\$4,272,850	\$550,226
Contracts Payable	350,100	0	350,100	0
Accrued Wages and Benefits	1,045,400	241,939	1,287,339	205,187
Intergovernmental Payable	1,167,743	0	1,167,743	195,536
Deferred Revenue	15,706,112	0	15,706,112	5,020,452
Matured Special Assessment Bonds Payable	1,000	0	1,000	0
Matured Interest Payable	8,863	0	8,863	0
Accrued Interest Payable	224,954	0	224,954	652
Notes Payable	3,300,000	0	3,300,000	0
Claims Payable	481,175	0	481,175	0
Payable from Restricted Assets:				
Accounts Payable	0	593,802	593,802	0
Accrued Interest Payable	0	384,165	384,165	0
Retainage Payable	0	467,906	467,906	0
Maintenance Bond Payable	0	37,400	37,400	0
Current Portion of Long-Term Debt	0	3,437,057	3,437,057	0
Long-Term Liabilities:				
Due Within One Year	5,520,095	0	5,520,095	345,290
Due In More Than One Year	42,584,176	87,439,489	130,023,665	1,145,833
Total Liabilities	73,756,937	93,507,289	167,264,226	7,463,176
Net Assets				
Invested in Capital Assets, Net of Related Debt	95,134,840	120,738,408	215,873,248	6,945,013
Restricted for:				
Capital Projects	23,675,368	0	23,675,368	935,140
Debt Service	5,563,232	16,324,709	21,887,941	2,749
Other Purposes	17,853,751	0	17,853,751	945,894
Component Unit	0	0	0	4,312
Unrestricted	14,640,442	81,372,870	96,013,312	14,011,720
Total Net Assets	\$156,867,633	\$218,435,987	\$375,303,620	\$22,844,828

See accompanying notes to the basic financial statements

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

	Net (Expense) Revenue and Changes in Net Assets						Component Units	
	Expenses	Program Revenues			Primary Government Business-Type Activities			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities		
Primary Government								
General Government								
Legislative and Executive	\$19,515,292	\$10,812,430	\$289,102	\$22,500	(\$8,391,260)	\$0	\$0	
Judicial	7,467,968	3,185,159	240,002	0	(4,042,807)	0	(4,042,807)	
Public Safety	22,540,989	3,661,359	2,974,590	369,829	(15,535,211)	0	(15,535,211)	
Public Works	7,155,162	988,262	6,503,995	642,114	979,209	0	979,209	
Health	780,820	536,939	0	158,852	(85,029)	0	(85,029)	
Human Services	28,314,617	1,460,393	18,162,925	0	(8,691,299)	0	(8,691,299)	
Community Development	2,548,204	6,708	1,993,735	4,266,333	3,718,572	0	3,718,572	
Transportation	1,671,387	767,259	670,588	0	(233,540)	0	(233,540)	
Interest and Fiscal Charges	2,309,295	0	0	0	(2,309,295)	0	(2,309,295)	
Total Governmental Activities	92,303,734	21,418,509	30,834,937	5,459,628	(34,590,660)	0	(34,590,660)	
Business-Type Activities								
Water	11,021,013	11,912,288	0	3,395,379	0	4,286,634	4,286,634	
Sewer	15,170,271	13,611,285	0	4,601,928	0	3,042,942	3,042,942	
Total Business-Type Activities	26,191,284	25,523,553	0	7,997,307	0	7,329,576	7,329,576	
Total Primary Government	\$118,495,018	\$46,942,062	\$30,834,937	\$13,456,935	(34,590,660)	7,329,576	(27,261,084)	
Component Units								
MRDD	\$13,824,076	\$1,599,901	\$5,436,586	\$0			(\$6,787,589)	
MHRB	11,343,327	529,762	10,395,356	0			(418,209)	
Total Component Units	\$25,167,403	\$2,129,663	\$15,831,942	\$0			(\$7,205,798)	
General Revenues								
Property Taxes Levied for:								
General Purposes					8,264,880	0	8,264,880	
Social Services					5,750,351	0	5,750,351	
MRDD					0	0	0	
MHRB					0	0	0	
Capital Outlay					2,963,493	0	2,963,493	
Lodging Tax					323,423	0	323,423	
Sales Tax					19,513,566	0	19,513,566	
Grants not Restricted to Specific Programs					5,858,652	0	5,858,652	
Investment Earnings					4,156,791	2,872,855	7,029,646	
Miscellaneous					1,213,288	0	1,213,288	
Transfers (See Note R)					(320,000)	320,000	0	
Total General Revenues and Transfers					47,724,444	3,192,855	50,917,299	
Change in Net Assets					13,133,784	10,522,431	23,656,215	
Restated Net Assets Beginning of Year - (See Note D)					143,733,849	207,913,556	351,647,405	
Net Assets End of Year					\$156,867,633	\$218,435,987	\$375,303,620	

See accompanying notes to the basic financial statements

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

	General	Social Services	MV&G	Judicial Projects
Assets				
Equity in Pooled Cash and Cash Equivalents	\$27,025,518	\$4,994,183	\$2,923,690	\$10,675,936
Receivables:				
Taxes	8,826,619	6,133,667	0	0
Sales Taxes	1,477,431	0	188,216	0
Accounts	319,302	0	33,891	0
Special Assessments	0	0	0	0
Accrued Interest	583,151	0	14,239	0
Interfund	1,888,685	0	0	0
Intergovernmental	2,024,693	177,131	4,297,869	0
Prepaid Items	60,324	0	8,938	0
Loans Receivable	0	0	0	0
<i>Total Assets</i>	<u>\$42,205,723</u>	<u>\$11,304,981</u>	<u>\$7,466,843</u>	<u>\$10,675,936</u>
Liabilities and Fund Balances				
Liabilities				
Accounts Payable	\$882,097	\$1,375,221	\$566,757	\$0
Contracts Payable	0	0	0	93,532
Accrued Wages and Benefits	662,320	201,307	76,857	0
Intergovernmental Payable	719,243	241,069	78,552	0
Interfund Payable	433,613	0	0	0
Deferred Revenue	10,956,412	6,268,977	4,070,630	0
Matured Special Assessment Bonds Payable	0	0	0	0
Matured Interest Payable	0	0	0	0
Accrued Interest Payable	0	0	0	0
Notes Payable	0	0	0	0
<i>Total Liabilities</i>	<u>13,653,685</u>	<u>8,086,574</u>	<u>4,792,796</u>	<u>93,532</u>
Fund Balances				
Reserved for Encumbrances	1,234,181	310,508	659,276	571,364
Reserved for Loans	0	0	0	0
Unreserved:				
Designated for Budget Stabilization	2,300,000	0	0	0
Undesignated, Reported in:				
General Fund	25,017,857	0	0	0
Special Revenue Funds	0	2,907,899	2,014,771	0
Debt Service Funds	0	0	0	0
Capital Projects Funds	0	0	0	10,011,040
<i>Total Fund Balances</i>	<u>28,552,038</u>	<u>3,218,407</u>	<u>2,674,047</u>	<u>10,582,404</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$42,205,723</u>	<u>\$11,304,981</u>	<u>\$7,466,843</u>	<u>\$10,675,936</u>

See accompanying notes to the basic financial statements

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

County Capital Improvement	Other Governmental Funds	Total Governmental Funds
\$4,119,360	\$20,710,757	\$70,449,444
3,485,062	0	18,445,348
0	0	1,665,647
0	73,244	426,437
0	5,323,868	5,323,868
0	18,807	616,197
0	0	1,888,685
186,315	2,386,735	9,072,743
0	11,955	81,217
0	99,224	99,224
<u>\$7,790,737</u>	<u>\$28,624,590</u>	<u>\$108,068,810</u>
\$0	\$422,145	\$3,246,220
130,037	126,531	350,100
0	95,766	1,036,250
0	118,067	1,156,931
0	1,888,685	2,322,298
3,649,237	7,506,589	32,451,845
0	1,000	1,000
0	8,863	8,863
0	3,392	3,392
0	3,300,000	3,300,000
<u>3,779,274</u>	<u>13,471,038</u>	<u>43,876,899</u>
896,979	3,171,912	6,844,220
0	99,224	99,224
0	0	2,300,000
0	0	25,017,857
0	6,453,368	11,376,038
0	243,372	243,372
3,114,484	5,185,676	18,311,200
<u>4,011,463</u>	<u>15,153,552</u>	<u>64,191,911</u>
<u>\$7,790,737</u>	<u>\$28,624,590</u>	<u>\$108,068,810</u>

Total Governmental Fund Balances \$64,191,911

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. 122,448,713

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

Special Assessments	5,319,860	
Investment Earnings	387,533	
Intergovernmental Revenues	8,281,007	
Property Taxes	1,120,791	
Sales Tax	1,604,934	
Charges for Services	31,608	
Total		16,745,733

Internal service funds are used by management to charge the costs of insurance and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. 1,793,451

Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds.

General Obligation Bonds	(40,695,000)
Special Assessment Bonds	(3,787,000)
OWDA Loans	(348,583)
Accrued Interest	(221,562)
Compensated Absences	(3,260,030)

Total (48,312,175)

Net Assets of Governmental Activities \$156,867,633

Clermont County, Ohio

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2002

	General	Social Services	MV & G	Judicial Projects	County Capital Improvement
Revenues					
Property and Other Taxes	\$26,471,923	\$6,197,929	\$1,944,613	\$0	\$3,255,194
Charges for Services	10,870,492	679,745	262,222	0	1,765
Licenses and Permits	1,067,275	50,625	46,348	0	0
Fines and Forfeitures	1,376,769	0	187,670	0	0
Intergovernmental	3,827,534	18,922,437	7,150,871	50,000	367,535
Special Assessments	0	0	18,903	0	0
Investment Earnings	3,996,280	1,048	79,413	189,408	0
Net Decrease in Fair Value of Investments	(331,657)	0	(8,098)	0	0
Other	794,303	114,051	129,404	0	120,000
Total Revenues	48,072,919	25,965,835	9,811,346	239,408	3,744,494
Expenditures					
Current:					
General Government					
Legislative and Executive	12,728,376	0	0	0	0
Judicial	6,989,620	0	0	0	0
Public Safety	18,387,528	0	0	0	0
Public Works	0	0	7,982,618	0	0
Health	289,266	0	0	0	0
Human Services	1,049,763	27,102,616	0	0	0
Community Development	321,188	0	0	0	0
Transportation	0	0	0	0	0
Capital Outlay	0	0	0	536,286	303,179
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	39,765,741	27,102,616	7,982,618	536,286	303,179
Excess of Revenues Over (Under) Expenditures	8,307,178	(1,136,781)	1,828,728	(296,878)	3,441,315
Other Financing Sources (Uses)					
OPWC Bonds Issued	0	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Transfers In	2,500	928,000	399	176,600	451,900
Transfers Out	(4,917,717)	0	(1,188,425)	0	(4,442,091)
Proceeds from the Sale of Fixed Assets	17,196	3,999	12,823	0	0
Total Other Financing Sources (Uses)	(4,898,021)	931,999	(1,175,203)	176,600	(3,990,191)
Net Change in Fund Balances	3,409,157	(204,782)	653,525	(120,278)	(548,876)
Fund Balances at Beginning of Year	25,142,881	3,423,189	2,020,522	10,702,682	4,560,339
Fund Balances End of Year	<u>\$28,552,038</u>	<u>\$3,218,407</u>	<u>\$2,674,047</u>	<u>\$10,582,404</u>	<u>\$4,011,463</u>

See accompanying notes to the basic financial statements

Clermont 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*

Other Governmental Funds	Total Governmental Funds			
		Net Change in Fund Balances - Total Governmental Funds		\$1,652,294
		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 outlays exceeded depreciation in the current period.		
\$323,423	\$38,193,082	Fixed asset additions	19,536,829	
4,613,433	16,427,657	Depreciation expense	<u>(9,819,306)</u>	
190,551	1,354,799	Excess of capital outlay over depreciations		9,717,523
331,087	1,895,526			
10,660,022	40,978,399			
548,581	567,484			
345,507	4,611,656			
(10,695)	(350,450)			
55,423	1,213,181			
17,057,332	104,891,334			
		In the statement of activities, the loss on the disposal of capital assets is reported. Conversely, governmental funds do not report any gain or loss on the disposal of capital assets.		
				(636,996)
		Because some property taxes will not be collected for several months after the County's fiscal year ends, they are not considered as "available" revenues in the governmental funds. Similarly, certain licenses and other revenues that do not provide current financial resources are not reported as revenues in the fund.		
3,580,744	16,309,120	Taxes	169,891	
376,922	7,366,542	Intergovernmental revenue	(372,441)	
3,102,732	21,490,260	Charges for services	(55,457)	
0	7,982,618	Investment earnings	(104,415)	
532,492	821,758	All other revenue	<u>107</u>	
0	28,152,379	Total revenue		(362,315)
0	321,188			
1,875,182	1,875,182			
10,764,682	11,604,147			
2,066,421	2,066,421			
3,634,938	3,634,938			
2,345,007	2,345,007			
28,279,120	103,969,560			
(11,221,788)	921,774			
		The issuance of Long-term debt provides current financial resources to government funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets.		
357,521	357,521	Repayment of Bond Principal		3,634,938
320,000	320,000	Proceeds from sale of Bonds		(677,521)
9,141,334	10,700,733			
(322,500)	(10,870,733)			
188,981	222,999			
		In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, interest is expensed when due.		
				35,712
		Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
9,685,336	730,520	Compensated Absences Payable		300,503
(1,536,452)	1,652,294			
16,690,004	62,539,617			
		The internal service funds are used by management to charge the costs of insurance and other services to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities.		
\$15,153,552	\$64,191,911			(530,354)
		Change in Net Assets of Governmental Activities		\$13,133,784

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

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Favorable (Unfavorable)
Revenues:				
Taxes.....	\$25,500,900	\$25,500,900	\$25,809,798	\$308,898
Charges for services.....	9,281,845	9,281,845	10,638,303	1,356,458
Licenses and permits.....	1,215,500	1,215,500	1,068,150	(147,350)
Fines and forfeitures.....	1,490,700	1,490,700	1,376,624	(114,076)
Intergovernmental.....	4,124,440	4,184,643	4,458,416	273,773
Investment earnings.....	3,401,808	3,401,808	4,041,016	639,208
All other revenues.....	177,475	178,775	5,191,222	5,012,447
Total revenues.....	<u>45,192,668</u>	<u>45,254,171</u>	<u>52,583,529</u>	<u>7,329,358</u>
Expenditures:				
Current:				
General Government				
Legislative and executive.....	14,197,694	14,576,305	13,945,365	630,940
Judicial.....	7,310,298	7,382,207	7,165,059	217,148
Public safety.....	18,997,759	19,601,273	19,204,645	396,628
Health.....	578,569	578,569	573,212	5,357
Human services.....	837,866	837,558	784,827	52,731
Community development.....	500,242	499,271	393,334	105,937
Total expenditures.....	<u>42,422,428</u>	<u>43,475,183</u>	<u>42,066,442</u>	<u>1,408,741</u>
Excess of revenues over expenditures.....	<u>2,770,240</u>	<u>1,778,988</u>	<u>10,517,087</u>	<u>8,738,099</u>
Other financing sources (uses):				
Operating transfers in.....	0	0	2,500	2,500
Operating transfers (out).....	(7,549,590)	(9,728,037)	(7,163,488)	2,564,549
Advances in.....	25,000	25,000	48,329	23,329
Advances (out).....	0	(130,500)	(130,500)	0
Proceeds of sale of fixed assets.....	0	0	17,196	17,196
Total other financing sources (uses).....	<u>(7,524,590)</u>	<u>(9,833,537)</u>	<u>(7,225,963)</u>	<u>2,607,574</u>
Net Change in Fund Balance	(4,754,350)	(8,054,549)	3,291,124	11,345,673
Fund balance at beginning of year.....	18,840,769	18,840,769	18,840,769	0
Prior year encumbrances appropriated.....	1,545,378	1,545,378	1,545,378	0
Fund balance at end of year.....	<u>\$15,631,797</u>	<u>\$12,331,598</u>	<u>\$23,677,271</u>	<u>\$11,345,673</u>

See accompanying notes to the basic financial statements

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

Social Services - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes.....	\$6,138,459	\$6,138,459	\$5,479,426	(\$659,033)
Charges for services.....	780,700	780,700	679,745	(100,955)
Licenses and permits.....	55,000	55,000	50,625	(4,375)
Intergovernmental.....	18,887,186	19,309,017	20,151,330	842,313
Investment earnings.....	0	0	1,048	1,048
Other revenues.....	601,100	601,100	475,591	(125,509)
Total revenues.....	<u>26,462,445</u>	<u>26,884,276</u>	<u>26,837,765</u>	<u>(46,511)</u>
Expenditures:				
Current:				
Human services.....	<u>27,357,690</u>	<u>28,926,479</u>	<u>27,399,685</u>	<u>1,526,794</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(895,245)</u>	<u>(2,042,203)</u>	<u>(561,920)</u>	<u>1,480,283</u>
Other financing sources(uses):				
Operating transfers in.....	5,723,300	5,573,300	5,864,409	291,109
Operating transfers (out).....	(4,655,300)	(5,650,469)	(5,593,939)	56,530
Proceeds from sale of fixed assets.....	2,000	2,000	3,999	1,999
Total other financing sources (uses).....	<u>1,070,000</u>	<u>(75,169)</u>	<u>274,469</u>	<u>349,638</u>
Net change in fund balance.....	174,755	(2,117,372)	(287,451)	1,829,921
Fund balance at beginning of year.....	3,058,113	3,058,113	3,058,113	0
Prior year encumbrances appropriated.....	760,985	760,985	760,985	0
Fund balance at end of year.....	<u>\$3,993,853</u>	<u>\$1,701,726</u>	<u>\$3,531,647</u>	<u>\$1,829,921</u>

See accompanying notes to the basic financial statements

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

Motor Vehicle and Gas Tax - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes.....	\$2,121,400	\$1,921,400	\$1,960,800	\$39,400
Charges for services.....	248,500	248,500	251,101	2,601
Licenses and permits.....	48,000	48,000	46,348	(1,652)
Fines and forfeitures.....	185,000	185,000	173,839	(11,161)
Intergovernmental	8,748,770	7,548,770	7,145,793	(402,977)
Special Assessments.....	18,000	18,000	18,903	903
Investment earnings.....	155,000	155,000	80,233	(74,767)
Other revenues.....	91,250	91,250	131,831	40,581
Total revenues.....	<u>11,615,920</u>	<u>10,215,920</u>	<u>9,808,848</u>	<u>(407,072)</u>
Expenditures:				
Current:				
Public works.....	11,455,612	10,788,407	9,472,025	1,316,382
Excess (deficiency) of revenues over (under) expenditures.....	<u>160,308</u>	<u>(572,487)</u>	<u>336,823</u>	<u>909,310</u>
Other financing sources(uses):				
Operating transfer in.....	3,500	3,500	399	(3,101)
Operating transfers (out).....	(1,118,129)	(1,188,656)	(1,188,425)	231
Proceeds from the sale of fixed assets.....	5,000	5,000	12,823	7,823
Total other financing sources (uses).....	<u>(1,109,629)</u>	<u>(1,180,156)</u>	<u>(1,175,203)</u>	<u>4,953</u>
Net change in fund balance.....	(949,321)	(1,752,643)	(838,380)	914,263
Fund balance at beginning of year.....	1,048,820	1,048,820	1,048,820	0
Prior year encumbrances appropriated.....	947,321	947,321	947,321	0
Fund balance at end of year.....	<u>\$1,046,820</u>	<u>\$243,498</u>	<u>\$1,157,761</u>	<u>\$914,263</u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Water Fund	Sewer Fund	Total	
Assets				
<i>Current Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	\$4,088,431	\$3,320,346	\$7,408,777	\$2,325,390
Cash and Cash Equivalents in Segregated Accounts	2,444,743	1,828,562	4,273,305	0
Investments in Segregated Accounts	24,257,650	38,309,751	62,567,401	0
Prepaid items	0	0	0	9,245
<i>Receivables:</i>				
Accounts	1,849,402	2,659,876	4,509,278	0
Inventory of Supplies at Cost	193,106	72,510	265,616	0
Total Current Assets	32,833,332	46,191,045	79,024,377	2,334,635
<i>Noncurrent Assets:</i>				
<i>Restricted Assets:</i>				
Equity in Pooled Cash and Cash Equivalents	238,405	0	238,405	0
Cash and Cash Equivalents in Segregated Accounts	110,695	392,302	502,997	0
Investments in Segregated Accounts	7,355,508	8,763,617	16,119,125	0
Retainage Accounts	213,256	254,650	467,906	0
Accrued Interest	177,957	264,192	442,149	0
<i>Other Noncurrent Assets:</i>				
Grants Receivable	56,043	115,536	171,579	0
Loans Receivable	0	1,029,095	1,029,095	0
Unamortized financing costs	692,329	927,121	1,619,450	0
Interfund receivable	147,322	286,291	433,613	0
Other noncurrent receivables	279,626	0	279,626	0
Capital Assets, Net	84,571,131	127,043,823	211,614,954	94,710
Total Noncurrent Assets	93,842,272	139,076,627	232,918,899	94,710
Total Assets	126,675,604	185,267,672	311,943,276	2,429,345
Liabilities				
<i>Current Liabilities:</i>				
Accounts Payable	404,688	500,843	905,531	121,099
Accrued Wages and Benefits	120,870	121,069	241,939	9,150
Intergovernmental Payable	0	0	0	10,812
Claims Payable	0	0	0	481,175
Total Current Liabilities	525,558	621,912	1,147,470	622,236
<i>Noncurrent Liabilities:</i>				
<i>Payable from Restricted Assets:</i>				
Accounts Payable	84,680	509,122	593,802	0
Accrued Interest Payable	201,333	182,832	384,165	0
Retainage Payable	213,256	254,650	467,906	0
Maintenance Bond Payable	18,700	18,700	37,400	0
Current Portion of Long-Term Obligations	1,740,000	1,697,057	3,437,057	0
Compensated Absences Due Within One Year	0	0	0	9,359
Compensated Absences Due Within More than One Year	0	0	0	4,299
<i>Long-Term Liabilities:</i>				
OWDA Notes Payable	0	1,593,605	1,593,605	0
OPWC Loans Payable	0	3,205,884	3,205,884	0
Revenue Bonds Payable	41,095,000	41,545,000	82,640,000	0
Total Noncurrent Liabilities	43,352,969	49,006,850	92,359,819	13,658
Total Liabilities	43,878,527	49,628,762	93,507,289	635,894
Net Assets				
Invested in Capital Assets, Net of Related Debt	41,736,131	79,002,277	120,738,408	94,710
Restricted for Debt Service	7,596,552	8,728,157	16,324,709	0
Unrestricted	33,464,394	47,908,476	81,372,870	1,698,741
Total Net Assets	\$82,797,077	\$135,638,910	\$218,435,987	\$1,793,451

See accompanying notes to the basic financial statements

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

	Business-Type Activities-Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Total	Activities- Internal Service Funds
Operating Revenues				
Charges for Services	\$11,020,109	\$13,450,099	\$24,470,208	\$8,947,160
New meters, services and reviews	780,715	66,881	847,596	0
Other	111,444	94,305	205,749	213,578
<i>Total Operating Revenues</i>	<u>11,912,268</u>	<u>13,611,285</u>	<u>25,523,553</u>	<u>9,160,738</u>
Operating Expenses				
Personal Services	702,703	723,044	1,425,747	448,052
Materials and Supplies	233,429	16,986	250,415	883,907
Contractual Services	4,209,800	5,338,734	9,548,534	314,275
Maintenance and Repair	27,254	105,488	132,742	240,147
Utilities	7,102	7,102	14,204	639,813
Claims	0	0	0	6,989,131
Depreciation	3,304,783	6,591,225	9,896,008	14,856
Other	596	(22,505)	(21,909)	23,617
<i>Total Operating Expenses</i>	<u>8,485,667</u>	<u>12,760,074</u>	<u>21,245,741</u>	<u>9,553,798</u>
<i>Operating Income/(Loss)</i>	<u>3,426,601</u>	<u>851,211</u>	<u>4,277,812</u>	<u>(393,060)</u>
Non-Operating Revenues (Expenses)				
Investment Income	1,194,867	1,729,567	2,924,434	0
Net Increase (Decrease) in Fair Value of Investments	34,608	(86,187)	(51,579)	0
Interest and Fiscal Charges	(2,535,346)	(2,410,197)	(4,945,543)	0
<i>Total Non-Operating Revenues (Expenses)</i>	<u>(1,305,871)</u>	<u>(766,817)</u>	<u>(2,072,688)</u>	<u>0</u>
<i>Income (Loss) Before Contributions and Transfers</i>	<u>2,120,730</u>	<u>84,394</u>	<u>2,205,124</u>	<u>(393,060)</u>
Capital Contributions	3,395,379	4,601,928	7,997,307	12,706
Transfers In	60,000	260,000	320,000	0
Transfers Out	0	0	0	(150,000)
<i>Change in Net Assets</i>	<u>5,576,109</u>	<u>4,946,322</u>	<u>10,522,431</u>	<u>(530,354)</u>
<i>Net Assets Beginning of Year</i>	<u>77,220,968</u>	<u>130,692,588</u>	<u>207,913,556</u>	<u>2,323,805</u>
<i>Net Assets End of Year</i>	<u>\$82,797,077</u>	<u>\$135,638,910</u>	<u>\$218,435,987</u>	<u>\$1,793,451</u>

See accompanying notes to the basic financial statements

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

	Business-Type Activities-Enterprise Funds			Governmental
	Water Fund	Sewer Fund	Total	Activities-Internal Service Funds
Cash Flows From Operating Activities:				
Receipts from Customers and Users	\$11,828,130	\$13,770,047	\$25,598,177	\$2,026,320
Cash received from Interfund Services Provided	0	0	0	6,920,840
Payments to Suppliers	(4,437,933)	(5,432,431)	(9,870,364)	(2,074,525)
Payments to Employees	(705,862)	(722,231)	(1,428,093)	(441,620)
Claims	0	0	0	(7,145,856)
Payments for Interfund Services Provided	0	0	0	(259,992)
Other Receipts	111,444	94,305	205,749	213,578
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>6,795,779</u>	<u>7,709,690</u>	<u>14,505,469</u>	<u>(761,255)</u>
Cash Flows from Noncapital and Related Financing Activities				
Transfer to Other Funds	0	0	0	(150,000)
<i>Net Cash (Used for) Noncapital and Related Financing Activities</i>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(150,000)</u>
Cash Flows From Capital and Related Financing Activities:				
Principal and Interest Paid on Long-Term Debt	(4,158,992)	(3,930,311)	(8,089,303)	0
Construction/Acquisition of Capital Assets	(5,240,052)	(8,887,140)	(14,127,192)	(10,086)
Proceeds from Sale of Fixed Assets	0	0	0	0
Retainage Receipts	148,314	235,088	383,402	0
Retainage Payments	(112,255)	(415,223)	(527,478)	0
Maintenance Bond Receipts	2,900	2,900	5,800	0
Maintenance Bond Payments	(13,675)	(13,675)	(27,350)	0
Payments on OPWC Loans	0	0	0	0
Proceeds from Assessments	5,366	43,851	49,217	0
System Capacity Charges	1,678,790	2,592,245	4,271,035	0
Cash contribution from developers	1,800	424,432	426,232	0
Proceeds from interfund receivables	36,831	71,573	108,404	0
Transfers in from Other Funds	60,000	260,000	320,000	0
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>(7,590,973)</u>	<u>(9,616,260)</u>	<u>(17,207,233)</u>	<u>(10,086)</u>
Cash Flows From Investing Activities:				
Investment Purchases	(34,572,018)	(42,855,817)	(77,427,835)	0
Investment Sales	33,283,326	40,009,234	73,292,560	0
Interest Received on Investments	1,253,308	1,729,057	2,982,365	0
<i>Net Cash (Used for) Investing Activities</i>	<u>(35,384)</u>	<u>(1,117,526)</u>	<u>(1,152,910)</u>	<u>0</u>
<i>Net (Decrease) in Cash and Cash Equivalents</i>	<u>(830,578)</u>	<u>(3,024,096)</u>	<u>(3,854,674)</u>	<u>(921,341)</u>
<i>Cash and Cash Equivalents January 1 (including \$473,992 and \$870,930 for the Water and Sewer Funds, respectively held in restricted accounts)</i>	<u>7,926,108</u>	<u>8,819,956</u>	<u>16,746,064</u>	<u>3,246,731</u>
<i>Cash and Cash Equivalents December 31 (including \$562,356 and \$646,952 for the Water and Sewer Funds, respectively held in restricted accounts)</i>	<u>\$7,095,530</u>	<u>\$5,795,860</u>	<u>\$12,891,390</u>	<u>\$2,325,390</u>

Continued

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

**Reconciliation of Operating Income to Net Cash
Provided by Operating Activities:**

Operating Income (Loss)	\$3,426,601	\$851,211	\$4,277,812	(\$393,060)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used for) Operating Activities:				
Depreciation	3,304,783	6,591,225	9,896,008	14,856
Change in Assets and Liabilities				
Increase in Prepaid Items	0	0	0	(9,245)
Increase in Accounts Receivable	27,306	253,067	280,373	0
Increase (Decrease) in Accounts Payable	40,248	13,374	53,622	(223,513)
Increase (Decrease) in Accrued Wages and Related Expense	(3,159)	813	(2,346)	337
(Decrease) in Claims Payable	0	0	0	(156,725)
Increase in Intergovernmental Payable	0	0	0	1,945
Increase in Compensated Absences	0	0	0	4,150
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>\$6,795,779</u>	<u>\$7,709,690</u>	<u>\$14,505,469</u>	<u>(\$761,255)</u>
Non-Cash Transactions:				
Contributions	\$1,389,335	\$1,425,863	\$2,815,198	\$12,706
Net Increase in the Fair Value of Investments	34,608	(86,187)	(51,579)	0
<i>Total Non-Cash Transactions</i>	<u>\$1,423,943</u>	<u>\$1,339,676</u>	<u>\$2,763,619</u>	<u>\$12,706</u>

See accompanying notes to the basic financial statements

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

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$9,968,162
Cash and Cash Equivalents in Segregated Accounts	364,565
Cash with Fiscal and Escrow Agents	351,736
Taxes Receivable	155,492,915
Intergovernmental Receivable	<u>19,417</u>
<i>Total Assets</i>	<u><u>\$166,196,795</u></u>
Liabilities	
Intergovernmental Payable	\$163,137,531
Other Liabilities	<u>3,059,264</u>
<i>Total Liabilities</i>	<u><u>\$166,196,795</u></u>

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Net Assets
Component Units
December 31, 2002

	MRDD	Mental Health Board	Component Unit Total
Assets			
Equity in Pooled Cash and Cash Equivalents	\$4,668,953	\$5,719,984	\$10,388,937
Cash and Cash Equivalents in Segregated Accounts	43,678	0	43,678
Receivables:			
Taxes	4,041,216	1,614,658	5,655,874
Accounts	89,008	0	89,008
Intergovernmental Receivable	2,499,257	3,987,098	6,486,355
Prepaid Items	39,987	5,367	45,354
Inventory of supplies at cost	2,490	0	2,490
Restricted Assets:			
Cash and Cash Equivalents in Segregated Accounts	4,312	0	4,312
Land and Land Improvements	281,189	201,328	482,517
Depreciable Capital Assets, Net	4,720,877	2,388,602	7,109,479
Total Assets	16,390,967	13,917,037	30,308,004
Liabilities			
Accounts Payable	149,563	400,663	550,226
Accrued Wages and Benefits	195,014	10,173	205,187
Intergovernmental Payable	183,539	11,997	195,536
Deferred Revenue	3,529,096	1,491,356	5,020,452
Accrued Interest Payable	0	652	652
Long-Term Liabilities:			
Due Within One Year	320,113	25,177	345,290
Due In More Than One Year	471,233	674,600	1,145,833
Total Liabilities	4,848,558	2,614,618	7,463,176
Net Assets			
Invested in Capital Assets, Net of Related Debt	5,002,066	1,942,947	6,945,013
Restricted for:			
Capital Projects	935,140	0	935,140
Debt Service	0	2,749	2,749
Other Purposes	945,894	0	945,894
Clerco	4,312	0	4,312
Unrestricted	4,654,997	9,356,723	14,011,720
Total Net Assets	\$11,542,409	\$11,302,419	\$22,844,828

See accompanying notes to the basic financial statements

Clermont County, Ohio
Statement of Activities
Component Units
For the Year Ended December 31, 2002

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	MRDD	MHRB	Total
MRDD Component Unit							
Governmental Activities							
Human Services	\$13,824,076	\$1,599,901	\$5,436,586	\$0	(\$6,787,589)	\$0	(\$6,787,589)
MHRB Component Unit							
Governmental Activities							
Health	11,302,993	529,762	10,395,356	0	0	(377,875)	(377,875)
Interest and Fiscal Charges	40,334	0	0	0	0	(40,334)	(40,334)
<i>Total MHRB Component Unit</i>	\$11,343,327	\$529,762	\$10,395,356	\$0	\$0	(\$418,209)	(418,209)
Total Component Units	<u>\$25,167,403</u>	<u>\$2,129,663</u>	<u>\$15,831,942</u>	<u>\$0</u>			<u>(\$7,205,798)</u>
		General Revenues					
		Property Taxes			5,253,121	1,531,448	6,784,569
		Grants not Restricted to Specific Programs			1,470,580	331,947	1,802,527
		Investment Earnings			365	0	365
		Miscellaneous			31,687	61,555	93,242
		<i>Total General Revenues</i>			<u>6,755,753</u>	<u>1,924,950</u>	<u>8,680,703</u>
		Change in Net Assets			(31,836)	1,506,741	1,474,905
		<i>Restated Net Assets Beginning of Year</i> <i>(See Note D)</i>			<u>11,574,245</u>	<u>9,795,678</u>	<u>21,369,923</u>
		<i>Net Assets End of Year</i>			<u>\$11,542,409</u>	<u>\$11,302,419</u>	<u>\$22,844,828</u>

See accompanying notes to the basic financial statements

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

Note A: Description of the County and Reporting Entity

Clermont County is a political subdivision of the State of Ohio. The County was formed by action of Arthur St. Clair, the first governor of the Northwest Territory in 1800. The three member Board of County Commissioners is the legislative and executive body of the County. The County Auditor is the chief fiscal officer. In addition, there are seven other elected administrative officials, each of whom is independent, as set forth in Ohio law. These officials are the Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff and Treasurer. There are also five Common Pleas Court Judges, (one of whom is Domestic Relations Court Judge, and one whom is Judge of the Probate and Juvenile Courts) and three Municipal Court Judges elected on a County-wide basis to oversee the County's justice system.

Reporting Entity

As required by generally accepted accounting principles, the financial statements present Clermont County (the primary government) and its component units. The primary government includes all funds, departments, boards and agencies for which the County elected officials are financially accountable and are not legally separate from the County. The component units (discussed below) are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Discretely Presented Component Units

The component units column in the government-wide financial statements include the financial data of the County's component units. They are reported in a separate column to emphasize that they are legally separate from the County. The following boards are included as legally separate, discretely presented components of the County:

County Board of Mental Retardation and Developmental Disabilities(MRDD Board): The MRDD Board (including Clerco, Inc.) is responsible for providing educational and vocational services to mentally retarded and developmentally disabled children and adults. The County Commissioners appoint five members of the seven member MRDD Board. The remaining two members are appointed by the County Probate Court Judge. The County Commissioners approve the annual appropriations of the MRDD Board. The MRDD Board can buy, sell, lease and mortgage property in its own name and can sue or be sued in its own name. Clerco, Inc. is a program of rehabilitation for individuals whose capacity has been impaired because of mental retardation. The MRDD Board pays many of the expenses of Clerco, Inc. and the administrative and supervisory staff of Clerco, Inc. are considered employees of the MRDD Board.

Community Mental Health and Recovery Board (MHRB): The MHRB is responsible for a wide range of planning and coordination of various types of mental health services for residents of Clermont County. The Board is authorized to have eighteen members under the Ohio Revised Code, with ten appointed by the Board of County Commissioners, four appointed by the Ohio Department of Mental Health, and four appointed by the Ohio Department of Alcohol and Drug Addiction Services. The MHRB can buy, sell, lease and mortgage property in its own name and can sue or be sued in its own name. The County Commissioners approve the annual appropriation of the MHRB.

Copies of the component unit financial reports are on file at the Clermont County Auditor's Office, 101 E. Main Street, Batavia, Ohio 45103-2961.

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

Note A: Description of the County and Reporting Entity (Continued)

Related Organizations:

Clermont County officials are also responsible for appointing the members and/or act as members on the boards of other organizations, but the County's accountability for these organizations does not extend beyond making the appointments or representing the following organizations:

Clermont County Law Library: The six member board of trustees are appointed by the Common Pleas Court Judge. The law library can buy, sell, lease and mortgage property in its own name and can sue or be sued in its own name.

Public Library Board: The seven member board of library trustees are appointed by County officials. Three trustees are appointed by Judges of the Court of Common Pleas, and four trustees are appointed by the Board of County Commissioners.

Metropolitan Housing Authority: Three of the five board members are appointed by County officials. The Probate Court, Common Pleas Court and Board of County Commissioners appoint one board member each.

Clermont County Visitors' Bureau: The Board of County Commissioners appoint six of the nine directors.

Family and Children First Council: The operation of the Council is controlled by an advisory committee and the Clermont County Department of Job and Family Services. The County Commissioners and the County Administrator are members of the committee.

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 are presented as agency funds within the County's financial statements.

- Soil and Water Conservation District
- Park District
- Clermont County Health District

Note B: Summary of Significant Accounting Policies

The financial statements of Clermont County have been prepared in conformity with the 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 enterprise funds provided they do not conflict with or contradict GASB pronouncements. The more significant of the County accounting policies are described below.

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

Note B: Summary of Significant Accounting Policies (Continued)

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 funds 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 for 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. Program revenues include charges paid by the recipient for 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.

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.

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

Note B: Summary of Significant Accounting Policies (Continued)

Governmental Funds

Governmental funds are those through which most governmental functions of the County are financed. Governmental fund reporting focuses on the sources, use 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-

This fund accounts for the general operating revenues and expenditures of the County not recorded elsewhere. 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.

Social Service Special Revenue Fund-

This fund administers human service programs under state and federal regulations. These programs include Aid to Dependent Children (ADC), Medicaid, Food Stamps, investigation of all reports of child abuse, neglect or dependency, foster care programs, adoption services, senior service programs, and job training services to economically disadvantaged residents.

Motor Vehicle and Gas Tax Fund-

This fund accounts for monies received from state gasoline tax and motor vehicle registration fees designated for maintenance and repair of roads and bridges.

Judicial Capital Projects Fund-

This fund accounts for financial resources to be used for the construction and renovation of judicial related facilities, including but not limited to the Municipal Court construction.

County Capital Improvement Capital Projects Fund-

This fund accounts for financial resources to be used for major capital improvement to existing County facilities.

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 and services. The County maintains two Enterprise Funds which provide sanitary sewer, water distribution, and waste water treatment.

Internal Service Funds

Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The County's internal service funds report on self-insurance programs for employee medical benefits, worker's compensation, vehicle maintenance, and telephone services.

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

Note B: Summary of Significant Accounting Policies (Continued)

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 County's own programs. Agency funds are used to report resources held by the County in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations, or other governments. The County's only fiduciary funds are agency funds.

Component Units:

Component units are either legally separate organizations for which the elected officials of the County are financially accountable, or legally separate organizations for which the nature and significance of its relationship with the County is such that exclusion would cause the County's financial statements to be misleading or incomplete. Component unit disclosures represent a consolidation of various fund types.

Measurement Focus

Government-wide Financial Statements

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the Statement of Net Assets.

Fund Financial Statements

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

Like the governmental-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.

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

Note B: Summary of Significant Accounting Policies (Continued)

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 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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the County, available means expected to be received within thirty days of fiscal year-end.

Non-exchange 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 and property taxes are recognized in the fiscal year for which the taxes are levied (See Note G). 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 non-exchange 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: delinquent taxes, sales tax, grants, interest, fees and charges for services.

Deferred Revenue

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

Property taxes for which there is an enforceable legal claim as of December 31, 2002 but which were levied to finance fiscal 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.

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

Note B: Summary of Significant Accounting Policies (Continued)

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 the governmental funds.

Cash and Cash Equivalents

Cash resources of the majority of individual funds are combined to form a pool of cash and investments which is managed by the County Treasurer. Interest earned on investments is accrued as earned and distributed to the General Fund and other qualifying funds utilizing a formula based on the average month end balance of cash and cash equivalents of all funds. During fiscal year 2002, investments were limited to treasury bills, treasury notes, U.S. government backed securities, federal agency notes, money market accounts and STAR Ohio. Investments are reported at fair value which is based on quoted market prices. Note F provides a detailed disclosure regarding cash, cash equivalents and investments held by the County. STAROhio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price, which is the price the investment could be sold for on December 31, 2002.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the general fund during 2002 amounted to \$3,996,280, which includes \$3,146,750 assigned from other County funds.

Cash and Investments in Segregated Accounts

The County has segregated bank accounts for monies held separate from the County's central bank account. These depository accounts are presented in the Combined Balance Sheet as "Cash equivalents in segregated accounts" or "Investments in segregated accounts".

Statement of Cash Flows

Funds included within the Treasurer's cash management pool and investments in segregated accounts (including restricted trustee and retainage accounts) with original maturities of 3 months or less when purchased are considered to be cash equivalents. (In addition, revenue and expense transactions classified as other than operating cash flows from operations are not considered as components of operating income.)

Cash and Investments Held by Trustee

Certain monies for the Water and Sewer District are held and invested by trustees. Certain component units also maintain separate bank accounts. These bank accounts and investments are represented by the "Cash equivalents in segregated accounts", and "Investments in segregated accounts" restricted asset accounts.

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

Note B: Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Items

On government - wide financial statements inventories are presented at the lower of cost or market on a first - in, first-out basis (FIFO) and are expensed when used.

Inventory is reported in enterprise funds and component units and is valued at cost using the first-in-first-out (FIFO) method. Inventory is expensed when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items by using the consumption method.

Interfund Transactions

On fund financial statements, receivables and payables resulting from short-term interfund loans 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.

Restricted Assets

Restricted assets consist of certain trust accounts held by the Water and Sewer District which include a bond account, bond reserve account, replacement and improvement account, and a construction account. Cash and investments in the accounts are held by trustee financial institutions. The bond account is used to accumulate periodic principal and interest payments. The bond reserve account is to be funded in an amount equal to the maximum annual bond principal and interest requirement. The replacement and improvement account is to be maintained with a balance equal to the greater of five percent of the amount of bonds outstanding or \$2,000,000. The construction account is established to pay for project costs.

Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of proprietary capital assets is included as part of the capitalized value of the assets constructed.

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

Note B: Summary of Significant Accounting Policies (Continued)

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

<u>Assets</u>	<u>Years</u>
Buildings	50
Building Improvements	20
Infrastructure	20-50
Vehicles	5-10
Furniture & Equipment	5-10

Loans Receivable

Loans receivable represent Ohio Public Works Commission (OPWC) loans where the Water and Sewer District has entered into a loan agreement but has not drawn down all loan proceeds due to the interim status of the related construction project. The loan terms require the Water and Sewer District to initiate loan payments even though the project is not completed and all loan proceeds have not been drawn down. In addition, loans receivable represent low-interest loans for septic system development projects granted to eligible County residents under the Septic System Rehabilitation program.

Compensated Absences

Vacation, personal and compensatory benefits are accrued as a liability as the benefits are earned if the employees' right to receive compensation are attributable to services already rendered and it is probable that the employer will compensate employees for the benefits through time off or some other means. Sick leave benefits are accrued using the vesting method. The liability is based on sick leave accumulated at December 31 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the future.

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

Ohio law requires that vacation time not be accumulated for more than three years. Employees with a minimum of one year of service become vested in accumulated unpaid vacation time. Unused vacation is payable upon termination of employment. Unused sick time may be accumulated until retirement. Employees eligible to retire under a County recognized retirement plan, with a minimum of ten years of service, are paid one-fourth of accumulated sick time upon retirement. Such payment may not exceed the value of thirty days of accrued but unused sick leave. However, if employees earned sick leave prior to January 23, 1984, they are eligible for 100% conversion of this amount. All sick, vacation, personal and compensation payments are made at employees' current wage rates.

Self Insurance

The County is self-insured for employee health care benefits. The program is administered by Anthem Blue Cross and Blue Shield, which provides claims review and processing services. Each County department is charged for its proportionate share of covered employees. The County has recorded a liability for incurred but not paid and for incurred but unreported claims at year end based on an actuarial estimate by Anthem Blue Cross and Blue Shield.

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

Note B: Summary of Significant Accounting Policies (Continued)

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 on the enterprise 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 obligation of the funds. However, claims and judgements, 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 normally due for payment during the current year. Bonds, long-term notes, and capital leases that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

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 expendable 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.

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 improvements 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, laws, or regulations of other governments. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

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 water distribution, waste water treatment, vehicle maintenance, telephone service 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 which do not meet this criteria are considered non-operating and reported as such. All revenue of the Water and Sewer District are used as security for revenue bonds issued.

Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of fixed assets, or from grants or outside contributions of resources restricted to capital acquisition and construction, and system capacity charges.

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

Note B: Summary of Significant Accounting Policies (Continued)

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.

Estimates

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

Budgets

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are required to be budgeted and appropriated. The primary level of budgetary control is at the object level within each department. Any budgetary modifications at this level may only be made by resolution of the County Commissioners.

Tax Budget- A budget of estimated revenue and expenditures is submitted to the County Auditor, as Secretary of the County Budget Commission, by July 20 of each year, for the period January 1 to December 31 of the following year.

Estimated Resources- The County Budget Commission determines if the budget substantiates a need to levy all or part of previously authorized taxes and reviews estimated revenue. The Commission certifies its actions to the County by September 1. As part of this certification, the County receives the official certificate of estimated resources, which states the projected revenue of each fund. Prior to December 31, the County must revise its budget so that the total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount available as stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. The certificate may be further amended during the year if the County Auditor determines, and the Budget Commission agrees, that an estimate needs to be either increased or decreased. The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts in the amended certificate when the original appropriations were adopted. The amounts reported as the final budget amounts in the budgetary statements reflect the amounts in the final amended certificate issued during 2002.

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

Note B: Summary of Significant Accounting Policies (Continued)

Appropriations- A temporary appropriation resolution to control expenditures may be passed on or about January 1 of each year for the period of January 1 to March 31. An annual appropriation resolution must be passed by April 1 of each year for the period January 1 to December 31. The appropriation resolution fixes spending authority at the fund, department, and object level. The appropriation resolution may be amended during the year as new information becomes available, provided that total fund appropriations do not exceed current estimated resources, as certified.

Modifications to the original budget beyond the object level requires the approval of the Board of Commissioners. During the year, several supplemental appropriation resolutions were legally enacted by the County commissioners. Amendments to the original appropriation budget are described in Note S. The amounts reported as the original budgeted amounts in the budgetary statements reflect the first appropriated budget that covered the entire year, including amounts automatically carried over from prior years. The amounts reported as the final budgeted amounts in the budgetary comparisons represent the final appropriation amounts, including all amendments and modifications.

Encumbrances- As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are encumbered and recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. The Ohio Revised Code prohibits encumbrances plus expenditures from exceeding appropriations at the legal level of control.

Lapsing of Appropriations- At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. Encumbered appropriations are carried forward to the succeeding fiscal year and not re-appropriated.

NOTE C: Budgetary Basis of Accounting

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

1. Revenues are recorded when received in cash (budget) as opposed to when susceptible to accrual (GAAP).
2. Expenditures are recorded when paid in cash (budget) as opposed to when the liability is incurred (GAAP).
3. Encumbrances are treated as expenditures (budget) rather than as a reservation of fund balance (GAAP).
4. Advances in and advances out are operating transactions (Budget) as opposed to balance sheets transactions (GAAP).

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

Note C: Budgetary Basis of Accounting (Continued)

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the general fund and for the major special revenue funds.

**Net Change in Fund Balance
General and Major Special Revenue Funds**

	General	Social Services	M V & G
GAAP Basis	\$3,409,157	(\$204,782)	\$653,525
Net Adjustments for Revenue Accruals	4,583,607	871,930	(2,498)
Net Adjustment for Expenditure Accruals	(730,160)	764,995	(343,108)
Net Adjustment for Transfers In	0	4,936,409	0
Net Adjustment for Transfers Out	(2,245,771)	(5,593,939)	0
Net Adjustment for Advances	(82,171)	0	0
Excess of Revenues over Expenditures of Non-Budgeted Fund	(35,668)	0	0
Encumbrances	<u>(1,607,870)</u>	<u>(1,062,064)</u>	<u>(1,146,299)</u>
Budget Basis	<u>\$3,291,124</u>	<u>(\$287,451)</u>	<u>(\$838,380)</u>

NOTE D: Restatement of Prior Year Net Assets and Reclassification

Restatement of Net Assets - Primary Government

For 2002, the County has restated its Net Assets to reflect a correction to its calculation of compensated absences. In addition, initial engineering and planning costs previously capitalized in conjunction with Community Development infrastructure projects were deemed to be expenses of the County after determining that completion of such projects would not be likely and payments considered local matching dollars previously capitalized in conjunction with state affiliated projects were deemed to be expenses of the County.

Governmental Activities

Net Assets, December 31, 2001	\$146,718,718
Compensated Absences	432,870
Capital Assets - Construction in Progress	<u>(3,417,739)</u>
Restated Net Assets, December 31, 2001	<u>\$143,733,849</u>

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

NOTE D: Restatement of Prior Year Net Assets and Reclassification (Continued)

Restatement of the Change in Net Assets - Primary Government

The effect of the adjustments on the Change in Net Assets as previously reported for the year ended December 31, 2001, are as follows:

<u>Governmental Activities</u>	
Change in Net Assets, December 31, 2001	\$11,853,497
Legislative and Executive	82,215
Judicial	71,297
Public Works	33,478
Public Safety	143,981
Human Services	100,426
Community Development	(3,417,739)
Transportation	<u>1,473</u>
Restated Change in Net Assets, December 31, 2001	<u><u>\$8,868,628</u></u>

Restatement of Net Assets-Component Unit

<u>Component Unit</u>	
Net Assets, December 31, 2001	\$21,244,333
Compensated Absences	<u>125,590</u>
Net Assets, December 31, 2001	<u><u>\$21,369,923</u></u>

Restatement of Change in Net Assets-Component Unit

The effect of the adjustment on the Change in Net Assets as previously reported for the year ended December 31, 2001 is as follows:

<u>Component Unit</u>	
Change in Net Assets, December 31, 2001	\$609,701
Human Services	124,165
Health	<u>1,425</u>
Restated Change in Net Assets, December 31, 2001	<u><u>\$735,291</u></u>

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

NOTE D: Restatement of Prior Year Net Assets and Reclassification (Continued)

Reclassification

Various assets of the Enterprise funds have been reclassified from the machinery and equipment class into distribution systems class and collection systems class for the year ended December 31, 2002

NOTE E: Fund Deficits

The Community Development Projects, Road Assessment Fund and Health Insurance Fund had deficit fund balances at December 31, 2002, of \$169,124, \$2,593,870 and \$106,616 respectively. The deficits in these funds were due to adjustments for accrued liabilities which generate expenditures that are greater than those recognized on a cash basis. The General Fund is liable for the deficits and provides operating transfers when cash is required, not when accruals occur.

NOTE F: Deposits and Investments

The County maintains a cash and investment pool used by all funds and component units except the trustee held monies in Water and Sewer Funds and monies held by certain County departments in outside accounts. Each fund type's and component units portion of this pool is displayed on the statement of net assets as "Equity in pooled cash and cash equivalents".

Monies held by the County are classified by State Statute into two categories:

Active monies are public monies determined to be necessary to meet current demand upon the County Treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that the County identified as not required for use within the current four-year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to passbook accounts.

Ohio Law permits inactive monies to be deposited or invested in the following:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal or interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, government national mortgage association, and student loan marketing association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

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

NOTE F: Deposits and Investments (Continued)

4. Bond and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivisions are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above and repurchase agreements secured by such obligations, provided that 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 (1) or (2) above or cash or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the County's total average portfolio;
10. Bankers acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the County's total average portfolio.

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public 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, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At fiscal year end, the County had \$5,000 in un-deposited cash on hand which is included on the balance sheet of the County as part of "equity in pooled cash and cash equivalents".

The following information classifies deposits and investments by categories of risk as defined in GASB Statement 3, "Deposits with Financial Institutions, Investments and Reverse Repurchase Agreements".

Deposits

At fiscal year end, the carrying amount of the County's deposits was \$25,632,694 which was made up of \$15,243,757 from the primary government and \$10,388,937 from component units. The bank balance of the

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

NOTE F: Deposits and Investments (Continued)

County was \$28,105,496. Of the bank balance \$1,964,678 was covered by federal depository insurance and \$26,140,818 was collateralized by securities pledged by depository banks with federal revenue bonds in the County's name. Although the securities serving as collateral were held by the pledging financial institution's 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 by the depository would potentially subject the County to a successful claim by the Federal Deposit Insurance Corporation.

Investments

The County's investments are categorized below to give an indication of the level of risk assumed by the County at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the County's name. The County's investments in money market funds and STAR Ohio, an investment pool operated by the Ohio State Treasurer, are unclassified investments since they are not evidenced by securities that exist in physical or book entry form.

	<u>Category 1</u>	<u>Category 2</u>	<u>Fair Value</u>
Primary Government:			
Treasury Bills	\$4,493,745	\$21,966,144	\$26,459,889
Treasury Notes	18,282,423	56,720,382	75,002,805
US Gov't Backed Securities	34,724,681	-0-	34,724,681
Federal Agency Notes	2,072,770	-0-	2,072,770
Money Market Funds	-0-	-0-	4,776,301
STAROhio	<u>-0-</u>	<u>-0-</u>	<u>16,800,000</u>
Total	<u>\$59,573,619</u>	<u>\$78,686,526</u>	<u>\$159,836,446</u>

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

	<u>Cash & Cash Equivalents</u>	<u>Investments</u>
GASB Statement No. 9	\$106,787,614	\$78,686,526
Cash on Hand	(5,000)	
Treasury Bills	(4,493,745)	4,493,745
Treasury Notes	(18,282,423)	18,282,423
US Gov't Backed	(34,724,681)	34,724,681

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

NOTE F: Deposits and Investments (Continued)

	<u>Cash & Cash Equivalents</u>	<u>Investments</u>
Federal Agency Notes	(2,072,770)	2,072,770
Money Market Funds	(4,776,301)	4,776,301
STAR Ohio	<u>(16,800,000)</u>	<u>16,800,000</u>
GASB Statement No. 3	<u>\$25,632,694</u>	<u>\$159,836,446</u>

NOTE G: Receivables

Receivables at December 31, 2002, consisted of sales taxes, special assessments, accrued interest, accounts (billings for user charged services, including unbilled utility services, and rental payments), interfund and intergovernmental receivables arising from grants, entitlements and shared revenues. All receivables are considered collectable in full within one year. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. No allowances for doubtful accounts have been recorded because uncollectible amounts are expected to be insignificant.

Property Taxes

Property taxes include amounts levied against real, public utility and tangible personal (business) property. The assessed value, by property classification, upon which taxes collected in 2002 were based, are as follows:

Real Property	\$3,136,913,680
Public Utility and Tangible Personal Property	<u>477,890,693</u>
Total Assessed Property Value	<u>\$3,614,804,373</u>

Real property taxes collected in 2002 were levied after October 1, 2001 on the assessed values of the preceding January 1, the lien date. Assessed values are established by the County Auditor at 35% of appraised market value. A revaluation of real property is required to be completed no less than every six years, with a statistical update every third year. The most recent revaluation was completed in tax year 2002. Tangible personal property tax is assessed on equipment and inventory held by businesses. Tangible property is assessed at 24% of true value. In 2002, each business was eligible to receive a \$10,000 exemption in assessed value which was reimbursed by the State. Real property taxes are payable annually or semi-annually. In 2002, if paid annually, payment was due by February 4, 2002. If paid semi-annually, the first payment (at least 1/2 of amount billed) was due February 4, 2002 with the remainder due July 8, 2002.

The County Auditor distributes portions of the taxes collected to all taxing districts with periodic settlements of Real and Public Utility property taxes in February and August and Tangible Personal Property taxes in June and October for the first and second halves of the year, respectively. The County accrues billed but uncollected property taxes as receivables at their estimated net realizable value. On the modified accrual basis the delinquent taxes outstanding and available to the County within the first 30 days of 2002 were recorded as 2002 revenue, the remaining taxes receivable are offset by a credit to deferred revenue. Ohio law prohibits taxation

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

NOTE G: Receivables (Continued)

of property from all taxing authorities in excess of 10 mills without a vote of the people. For 2002 collections, the County levied 2.10 mills of the 10 mill limit for the General Fund. The County also levied 1.10 mill for the County Capital Fund and .10 for the Park District. In addition to the 3.20 mills, 5.65 mills have been levied for voted millage.

A summary of voted millage follows:

	Voter Authorized Rate (a)	Rate Levied for Current Yr Collection (b) Res/Agr	Rate Levied for Current Yr Collection (b) Other	Final Collection
MRDD (Component Unit)	2.50	.85	1.20	Continuing
MRDD (Component Unit)	.75	.54	.65	2002
MHRB (Component Unit)	.50	.50	.50	2006
Senior Citizens	1.1	1.10	1.10	2006
Children' Services	<u>.80</u>	<u>.80</u>	<u>.80</u>	2006
TOTAL	<u>5.65</u>	<u>3.79</u>	<u>4.25</u>	

(a) dollars per \$1,000 of assessed valuation.

(b) Ohio law provides for a reduction of certain voted levies to offset inflation in the value of real property. The levies are subject to this credit.

Permissive Sales and Use Tax

The County is currently collecting 1% on permissible types of sales made in the County. Vendor collections of the tax are paid to the State Treasurer by the twenty-fifth day of the month following collection. The State Tax Commissioner certifies to the State Auditor the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of each month. The State Auditor then has five days in which to draw the warrant payable to the County.

Intergovernmental

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$1,056,232
Local Government Revenue Assistance	393,433
Homestead and Rollback	898,634
Motor Vehicle License Tax	2,482,229
Motor Vehicle Gas Tax	670,729
Bridge Replacement Grant	1,284,643
Community Development Block Grant	184,587
Highway Planning and Construction Grant	775,478
Juvenile Grants	30,986

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

NOTE G: Receivables (Continued)

<u>Governmental Activities</u>	<u>Amount</u>
Miscellaneous Safety Grants	60,779
VOITIS Sub-Grant	107,628
Miscellaneous Judicial Grants	62,838
Municipal Court Adult Probation Grant	167,502
Ohio DJFS Grant	(143,925)
Public Transportation Grant	81,547
Reclaim Ohio Grant	772,503
Recycle Ohio Grant	16,980
TASC Grant	19,843
FEMA Grant	40,331
Public Defender Assistance	<u>109,766</u>
Total Governmental Activities	<u>\$9,072,743</u>

NOTE H: Capital Assets

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

	<u>Restated Balance 12/31/2001</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2002</u>
Governmental Activities				
Capital Assets not being depreciated:				
Land	\$3,578,555	\$0	\$0	\$3,578,555
Construction in Progress	<u>13,715,862</u>	<u>17,909,151</u>	<u>(13,255,191)</u>	<u>18,369,822</u>
Total Capital Assets at Historical Cost not being depreciated	<u>17,294,417</u>	<u>17,909,151</u>	<u>(13,255,191)</u>	<u>21,948,377</u>
Capital Assets being depreciated:				
Building and Improvements	37,584,584	4,216,160	(27,084)	41,773,660
Furniture, Fixtures, and Equipment	32,314,733	3,305,819	(907,732)	34,712,820
Infrastructure	<u>104,690,257</u>	<u>7,388,096</u>	<u>(4,414)</u>	<u>112,073,939</u>
Totals Capital Assets at Historical cost being depreciated	<u>174,589,574</u>	<u>14,910,075</u>	<u>(939,230)</u>	<u>188,560,419</u>
Less Accumulated Depreciation:				
Building and Improvements	(12,292,153)	(1,165,565)	0	(13,457,718)
Furniture, Fixtures and Equipment	(12,242,449)	(2,487,798)	297,564	(14,432,683)
Infrastructure	<u>(53,894,429)</u>	<u>(6,180,799)</u>	<u>256</u>	<u>(60,074,972)</u>
Total Accumulated Depreciation	<u>(78,429,031)</u>	<u>(9,834,162)</u>	<u>297,820</u>	<u>(87,965,373)</u>
Total Capital Assets, being depreciated, net	<u>96,160,543</u>	<u>5,075,913</u>	<u>(641,410)</u>	<u>100,595,046</u>
Governmental Activities Capital Assets, Net	<u>\$113,454,960</u>	<u>\$22,985,064</u>	<u>(\$13,896,601)</u>	<u>\$122,543,423</u>

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

NOTE H: Capital Assets (Continued)

	Restated Balance <u>12/31/2001</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>12/31/2002</u>
Business-Type Activities				
Capital Assets not being depreciated:				
Land	\$3,281,630	\$780,454	\$0	\$4,062,084
Construction in Progress	<u>14,561,188</u>	<u>13,372,501</u>	<u>(15,996,991)</u>	<u>11,936,698</u>
Total Capital Assets at Historical Cost not being depreciated	<u>17,842,818</u>	<u>14,152,955</u>	<u>(15,996,991)</u>	<u>15,998,782</u>
Capital Assets being Depreciated:				
Structure	78,117,108	61,188,249	0	139,305,357
Machinery and Equipment	233,105,445	339,997	(216,151,687)	17,293,755
Distribution Systems	0	65,941,521	0	65,941,521
Collections Systems	0	106,349,375	0	106,349,375
Autos and Trucks	<u>1,954,557</u>	<u>378,800</u>	<u>0</u>	<u>2,333,357</u>
Total Capital Assets at Historical Cost being depreciated	<u>313,177,110</u>	<u>234,197,942</u>	<u>(216,151,687)</u>	<u>331,223,365</u>
Less Accumulated Depreciation				
Structure	(42,357,190)	(21,905,208)	0	(64,262,398)
Machinery and Equipment	(81,437,387)	(1,896,865)	72,161,774	(11,172,478)
Distribution Systems	0	(20,179,439)	0	(20,179,439)
Collections Systems	0	(37,857,726)	0	(37,857,726)
Autos and Trucks	<u>(1,916,606)</u>	<u>(218,546)</u>	<u>0</u>	<u>(2,135,152)</u>
Total Accumulated Depreciation	<u>(125,711,183)</u>	<u>(82,057,784)</u>	<u>72,161,774</u>	<u>(135,607,193)</u>
Total Capital Assets, being depreciated, net	<u>187,465,927</u>	<u>152,140,158</u>	<u>(143,989,913)</u>	<u>195,616,172</u>
Business-Type Activities Capital Assets, Net	<u>\$205,308,745</u>	<u>\$166,293,113</u>	<u>(\$159,986,904)</u>	<u>\$211,614,954</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Government Activities

General Government:

Legislative and Executive	\$1,404,106
Judicial	203,529
Public Safety	1,415,676
Public Works	6,401,521
Health	12,077
Human Services	218,952
Community Development	35,975
Transportation	<u>142,326</u>
Total Depreciation Expense-Governmental Activities	<u>\$9,834,162</u>

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

NOTE H: Capital Assets (Continued)

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

	Balance 12/31/01	Additions	Reductions	Balance 12/31/02
Capital assets not being depreciated:				
Land	\$522,751	\$0	(\$40,234)	\$482,517
Total capital assets at Historical cost not being depreciated	<u>522,751</u>	<u>0</u>	<u>(40,234)</u>	<u>482,517</u>
Capital assets being depreciated:				
Building and Improvements	11,385,198	0	(284,118)	11,101,080
Furniture, fixtures and equipment	1,725,655	48,795	(49,862)	1,724,588
Totals capital assets at Historical cost being depreciated	13,110,853	48,795	(333,980)	12,825,668
Less Accumulated Depreciation:				
Building and Improvements	(4,131,510)	(340,115)	71,675	(4,399,950)
Furniture, fixtures and equipment	(1,242,994)	(108,373)	35,128	(1,316,239)
Total Accumulated Depreciation	<u>(5,374,504)</u>	<u>(448,488)</u>	<u>106,803</u>	<u>(5,716,189)</u>
Total Capital Assets, being depreciated, net	<u>7,736,349</u>	<u>(399,693)</u>	<u>(227,177)</u>	<u>7,109,479</u>
Component Units Capital Assets, Net	<u>\$8,259,100</u>	<u>(\$399,693)</u>	<u>(\$267,411)</u>	<u>\$7,591,996</u>

Depreciation expense was charged to functions/programs of the component units as follows:

Health	\$68,124
Human Services	380,364
Total Depreciation Expense-component units' activities	<u>\$448,488</u>

NOTE I: Long-Term Debt and Obligations

Long-term debt and other obligations of the County at December 31, 2002 were as follows:

Governmental Activities	INTEREST RATE %	MATURITY	RESTATED BALANCE 12/31/01	ADDITIONS	DELETIONS	BALANCE 12/31/02	AMOUNTS DUE IN ONE YEAR
General Obligation Bonds							
1992 Correctional Facilities-\$7,310,000	3.0-6.0%	2009	1,670,000	0	170,000	1,500,000	180,000
1993 Building Road Improv & Refunding-\$17,585,000	2.5-5.6%	2014	12,040,000	0	730,000	11,310,000	765,000
1993 Building Const-\$12,215,000	3.0-5.15%	2005	4,810,000	0	1,115,000	3,695,000	1,170,000
1999 Communications Center-\$6,500,000	4.0-5.13%	2009	5,435,000	0	570,000	4,865,000	595,000
2001 Refunding Correctional Facilities-\$2,695,000	2.15-4.00%	2009	2,695,000	0	305,000	2,390,000	315,000
2001 Various Purposes-\$17,300,000	2.15-4.1%	2011	<u>17,300,000</u>	<u>0</u>	<u>365,000</u>	<u>16,935,000</u>	<u>380,000</u>
Total General Obligation Bonds			<u>\$43,950,000</u>	<u>\$0</u>	<u>\$3,255,000</u>	<u>\$40,695,000</u>	<u>\$3,405,000</u>

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

NOTE I: Long-Term Debt and Obligations (Continued)

General Obligation Bonds	INTEREST RATE %	MATURITY	RESTATED BALANCE 12/31/01	ADDITIONS	DELETIONS	BALANCE 12/31/02	AMOUNTS DUE IN ONE YEAR
Ohio Public Works Commission							
2002 Gibson Road Bridge Replacement-\$357,521	0%	2022	<u>\$0</u>	<u>\$357,521</u>	<u>\$8,938</u>	<u>\$348,583</u>	<u>\$17,876</u>
Special Assessment Bonds with Governmental Commitment							
1989 Water Line Extension-\$88,000	7.25-7.37%	2009	\$40,000	\$0	\$5,000	\$35,000	\$5,000
1990 Water Line Extension-\$167,000	7.25%	2010	105,000	0	10,000	95,000	10,000
1982 Jannie Lane Bonds-\$18,300	12.50%	2002	1,000	0	1,000	0	0
1983 Nine Mile Sewer Bonds-\$34,000	10.25%	2003	4,000	0	2,000	2,000	2,000
1983 Nine Mile Bonds-\$584,915	9.50%	2003	60,000	0	30,000	30,000	30,000
1984 O'Bannonville Bonds-\$1,735,000	5.00%	2004	285,000	0	95,000	190,000	95,000
1990 Peggy Drive-\$85,000	7.12%	2010	52,000	0	4,000	48,000	5,000
1992 Waterline-\$97,300	5.875%	2012	55,000	0	5,000	50,000	5,000
1993 Murle Lane Sewer-\$93,000	5.5%	2013	60,000	0	5,000	55,000	5,000
1993 Murle Lane System Capacity-\$22,000	5.25%	2003	6,000	0	3,000	3,000	3,000
1996 Mt. Zion Rd. Water Main-\$110,000	5.875%	2016	85,000	0	5,000	80,000	5,000
1998 Middle East Fork Sewer-\$1,165,000	4.75-5.25%	2017	910,000	0	70,000	840,000	75,000
1998 Bells Lane-\$405,000	4.50%	2008	300,000	0	35,000	265,000	40,000
1998 Ohio Water Project-\$185,000	4.90%	2018	170,000	0	5,000	165,000	5,000
1999 Woods Point-\$690,000	4.05-5.20%	2009	575,000	0	60,000	515,000	65,000
2000 Gibson Water-\$235,000	5.00-5.50%	2020	230,000	0	5,000	225,000	10,000
2000 State Route 125 Sewer-\$885,000	5.00-5.50%	2020	860,000	0	30,000	830,000	30,000
2001 Miamiville Road & Wards Corner Road-\$40,000	5%	2021	40,000	0	1,000	39,000	1,000
2002 Waterline Project-\$60,000	4.00-5.00%	2020	0	60,000	0	60,000	2,000
2002 Sanitary Sewer Project-\$260,000	4.00-5.00%	2020	<u>0</u>	<u>260,000</u>	<u>0</u>	<u>260,000</u>	<u>10,000</u>

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

NOTE I: Long-Term Debt and Obligations (Continued)

	<u>INTEREST RATE %</u>	<u>MATURITY</u>	<u>RESTATED BALANCE 12/31/01</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE 12/31/02</u>	<u>AMOUNTS DUE IN ONE YEAR</u>
Special Assessment Bonds							
Total Special Assessment Bonds			<u>\$3,838,000</u>	<u>\$320,000</u>	<u>\$371,000</u>	<u>\$3,787,000</u>	<u>\$403,000</u>
Compensated Absences			<u>\$3,570,041</u>	<u>\$1,145,489</u>	<u>\$1,441,842</u>	<u>\$3,273,688</u>	<u>\$1,694,219</u>
Total Governmental Activities Long-Term Liabilities			<u>\$51,358,041</u>	<u>\$1,823,010</u>	<u>\$5,076,780</u>	<u>\$48,104,271</u>	<u>\$5,520,095</u>
Business - Type Activities							
Sewer	<u>INTEREST RATE %</u>	<u>MATURITY</u>	<u>BALANCE 12/31/01</u>	<u>ADDITION</u>	<u>DELETIONS</u>	<u>BALANCE 12/31/02</u>	<u>AMOUNTS DUE IN ONE YEAR</u>
1984 O'Bannonville Revenue Bonds-\$5,970,000	5.00%	2024	\$4,710,000	\$0	\$115,000	\$4,595,000	\$120,000
1993 Sewer System Refunding Revenue Bonds- \$48,280,000	2.6-5.2%	2021	<u>39,520,000</u>	0	<u>1,200,000</u>	<u>38,320,000</u>	<u>1,250,000</u>
Total Sewer Revenue Bonds			<u>44,230,000</u>	0	<u>1,315,000</u>	<u>42,915,000</u>	<u>1,370,000</u>
1972 Ohio Water Development Authority Notes-\$2,900,437	5.2-6.5%	2014	1,853,763	0	126,639	1,727,124	133,519
1994 OPWC Loans- \$4,179,610	2.00%	2023	<u>3,521,814</u>	<u>0</u>	<u>122,392</u>	<u>3,399,422</u>	<u>193,538</u>
Total Sewer			<u>\$49,605,577</u>	<u>\$0</u>	<u>\$1,564,031</u>	<u>\$48,041,546</u>	<u>\$1,697,057</u>
Water							
1993 Water System Refunding Revenue Bonds-\$57,885,000	2.6-5.8%	2018	<u>\$44,495,000</u>	<u>0</u>	<u>\$1,660,000</u>	<u>\$42,835,000</u>	<u>\$1,740,000</u>
Total Business-Type Activities			<u>\$94,100,577</u>	<u>\$0</u>	<u>\$3,224,031</u>	<u>\$90,876,546</u>	<u>\$3,437,057</u>

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

NOTE I: Long-Term Debt and Obligations (Continued)

Annual debt service requirements for the County's long-term debt are as follows:

YEAR	GENERAL OBLIGATION BONDS		SPECIAL ASSESSMENT BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2003	\$3,405,000	\$1,855,113	\$403,000	\$198,037
2004	3,570,000	1,702,695	374,000	175,616
2005	3,740,000	1,537,187	295,000	156,930
2006	3,925,000	1,358,872	312,000	142,189
2007	4,120,000	1,191,602	311,000	126,518
2008-2012	19,765,000	3,002,418	953,000	433,094
2013-2017	<u>2,170,000</u>	<u>183,960</u>	771,000	223,594
2018-2022			<u>368,000</u>	<u>45,010</u>
TOTAL	<u>\$40,695,000</u>	<u>\$10,831,847</u>	<u>\$3,787,000</u>	<u>\$1,500,988</u>

OPWC GIBSON ROAD BRIDGE PROJECTION LOAN

YEAR	PRINCIPAL	INTEREST
2003	\$17,876	\$0
2004	17,876	0
2005	17,876	0
2006	17,876	0
2007	17,876	0
2008	89,380	0
2013	89,380	0
2018	<u>80,443</u>	<u>0</u>
TOTAL	<u>\$348,583</u>	<u>\$0</u>

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

NOTE I: Long-Term Debt and Obligations (Continued)

YEAR	SEWER REVENUE BONDS		WATER REVENUE BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2003	\$1,370,000	\$2,193,980	\$1,740,000	\$2,415,993
2004	1,435,000	2,131,730	1,830,000	2,327,253
2005	1,500,000	2,065,220	1,925,000	2,232,092
2006	1,575,000	1,990,220	2,025,000	2,130,067
2007	1,655,000	1,911,470	2,135,000	2,020,718
2008-2012	9,620,000	8,209,430	12,605,000	8,181,530
2013-2017	12,385,000	5,447,190	16,645,000	4,141,715
2018-2022	12,725,000	1,887,970	<u>3,930,000</u>	<u>227,940</u>
2023-2027	<u>650,000</u>	<u>49,250</u>		
TOTAL	<u>\$42,915,000</u>	<u>\$25,886,460</u>	<u>\$42,835,000</u>	<u>\$23,677,308</u>

YEAR	OWDA LOANS		OPWC LOANS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2003	\$133,519	\$91,652	\$193,538	\$14,158
2004	140,776	84,396	204,419	13,078
2005	148,428	76,744	205,521	11,976
2006	156,498	68,673	206,645	10,853
2007	165,011	60,161	207,792	9,704
2008-2012	953,117	155,739	1,056,983	30,500
2013-2017	29,775	1,286	880,433	3,328
2018-2022	0	0	434,291	0
2022-2026	<u>0</u>	<u>0</u>	<u>9,800</u>	<u>0</u>
TOTAL	<u>\$1,727,124</u>	<u>\$538,651</u>	<u>\$3,399,422</u>	<u>\$93,597</u>

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

NOTE I: Long-Term Debt and Obligations (Continued)

Special Assessment Debt

During 2002, the County issued two special assessment bond issues totaling \$320,000. \$60,000 in special assessment debt was issued to provide funds for the construction of waterline extensions for property owners on Easter Lane and Freda Lane, and \$260,000 in special assessment debt was issued to provide funds for the construction of sewer line extensions for property owners of Owensville North.

Ohio Public Works Commission Debt

During 2002, the County finalized an agreement with the Ohio Public Works Commission for financing of Gibson Road Bridge Replacement. The loan of \$357,521 is repayable over a 20 year period with a 0% rate.

Long-Term Bonds and Loans

All long-term debt issued for governmental purposes of the County and self-supporting, special assessment bonds with governmental commitment are retired from a Debt Service Fund. Revenue bonds are retired from the related Enterprise fund. However, each appropriate bond indenture provides for principal and interest to be paid from user charges. General obligation bonds and notes are secured by the County's ability to levy a voted or unvoted property tax within limitations of Ohio law. Special assessment debt is paid from the proceeds of assessments levied against benefitted property owners. In the event that an assessed property owner fails to make payments, the County will be required to pay the related debt. Future funding requirements for bond anticipation notes are determinable upon the conversion of the notes to bonds. The Ohio Water Development Authority (OWDA) and the Ohio Public Works Commission (OPWC) loans will be paid from revenues derived by the County from the operation of the water and sewer systems. Under the Uniform Bond Act of the Ohio Revised Code, the County has the capacity to issue \$10,675,927 of additional unvoted general obligation debt.

Defeased Debt

In prior years, the County defeased certain general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. On December 31, 2002, \$11,220,000 general obligation bonds and \$1,240,000 of revenue bonds are considered defeased.

Leases: The County had no material capital or operating leases for the year ended December 31, 2002.

Revenue Bond Coverage: The County Water and Sewer funds are required under Revenue Bond Trust Indentures to maintain minimum debt service coverage ratios. For the 2002 fiscal year, the Water Fund and Sewer Fund were required to maintain 110% coverage ratios. The coverage ratios for 2002, based on operating income, system capacity charges and investment income and excluding depreciation for the Water Fund and Sewer Fund, were 232% and 324% respectively, which both met their legal requirements.

Component Units: The Community Mental Health and Recovery Board (MHRB) and Board of Mental Retardation and Developmental Disabilities (MRDD, including Clerco Inc.) are liable for the following long-term obligations. The MHRB loans are payable from debt service funds included in the component unit financial statements.

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

NOTE I: Long-Term Debt and Obligations (Continued)

Long-term debt and other obligations of the component units at December 31, 2002 were as follows:

	<u>INTEREST RATE%</u>	<u>MATURITY</u>	<u>RESTATED BALANCE 12/31/01</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE 12/31/02</u>	<u>AMOUNTS DUE IN ONE YEAR</u>
1991 MHRB FHA Loan- \$244,000	7.0%	2018	\$195,691	\$0	\$6,215	\$189,476	\$6,661
1996 MHRB FHA Loan- \$624,000	5.75%	2025	474,992	0	17,485	457,507	18,516
Compensated Absences			<u>946,346</u>	<u>149,330</u>	<u>251,536</u>	<u>844,140</u>	<u>320,113</u>
Total Long-term Obligations			<u>\$1,617,029</u>	<u>\$149,330</u>	<u>\$275,236</u>	<u>\$1,491,123</u>	<u>\$345,290</u>

Debt service requirements for component unit long-term debt are as follows:

MHRB Loans

<u>LOANS</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2003	25,177	38,879
2004	26,754	37,302
2005	28,429	35,627
2006	30,209	33,847
2007	32,101	31,955
2008-2012	193,354	126,926
2013-2017	262,244	58,036
2018-2022	<u>48,715</u>	<u>1,388</u>
TOTALS	<u>\$646,983</u>	<u>\$363,960</u>

NOTE J: SHORT-TERM OBLIGATIONS

A summary of the short term note transactions for the year ended December 31, 2002 follows:

<u>Fund Type</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Balance 1/1/02</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance 12/31/02</u>
Capital Projects	1.85%	12/11/03	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000

The county issued \$3,300,000 Road Improvement Bond Anticipation Notes (Sixth Renewal) on December 12, 2002. The proceeds are to be used for the Clepper Lane and Eastgate Drive Road Improvement Projects.

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

NOTE K: Conduit Debt Obligation

The County periodically has issued Hospital Facility, Economic Development, Industrial Development and Multi-Family Housing revenue bonds. The proceeds of these issues are used to acquire, construct, improve, expand and equip facilities associated with private-sector entities. Trustees make the principal and interest payments on the outstanding bonds. The issued bonds do not constitute a general obligation, debt or bonded indebtedness of the County nor is the full faith and credit or taxing power of the County pledged to make repayment. The County issued \$2,070,000 in new Economic Development revenue bonds in 2002. As of December 31, 2002, it is estimated that \$241,005,711 was still outstanding of previously issued bonds.

NOTE L: Defined Benefit Pension Plans

Public Employees Retirement System:

All County full-time employees, other than teachers, participate in the Ohio Public Employees Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan public employee retirement system created by the State of Ohio. PERS, who administers the plan, provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

The Ohio Revised Code provides statutory authority for employee and employer contributions. The employee contribution rate for 2002 was 8.5% for employees other than law enforcement. The law enforcement classification consists of sheriffs, deputy sheriffs, and township police with an employee contribution rate of 10.1%. Public safety division members contribute at 9%. The 2002 employer contribution rate was 13.55% of covered payroll, 8.55% was the portion used to fund pension obligations. The 2002 employer contribution rate for both the law enforcement and public safety divisions was 16.70% of covered payroll, 11.70% was the portion used to fund pension obligations. The County's contributions for pension obligations to PERS for the years ended December 31, 2002, 2001 and 2000 were \$6,504,656, \$5,776,719, and \$7,677,987 respectively; 85% has been contributed for 2002 and 100% for 2001 and 2000. \$1,120,748 representing the unpaid contribution for 2002, is recorded as a liability within the respective funds.

State Teachers Retirement System

Certified teachers employed by the school for the Mental Retarded/Developmentally Disabled 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 basic retirement benefits, disability, survivor, and health care benefits based on eligible service credit 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 9.3% of their annual covered salary and the County is required to contribute 14%. For fiscal years ended June 30, 2002 and 2001, 9.5% was the portion of County contribution used to fund pension obligations. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10% for members and 14% for employers. Effective July 1 2002, the STRS Board elected to increase the member contribution rate from 9.3% to 10% effective July 1, 2003. The County's contributions for pension obligations to STRS for the years ended December 31, 2002, 2001, and 2000 were \$197,907, \$211,942, and \$366,917 respectively, 100% has been contributed for the years 2002, 2001 and 2000.

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

NOTE M: Post-Employment Benefits Other Than Pension Benefits

The Ohio Public Employees Retirement System (PERS) provides postretirement health care coverage to age and service retirees with 10 or more years of qualifying Ohio service credit. Health care coverage for disability recipients and primary survivor 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. A portion of each employer's contribution to PERS is set aside for the funding of post-retirement health care based on authority granted by state statute. The OPERS law enforcement program is separated into two divisions, law enforcement and public safety, with separate employee contribution rates and benefits. The 2002 employer contribution rate was 13.55 % of covered payroll for employees not engaged in law enforcement, 5.00 % was the portion that was used to fund health care. For law enforcement employees, the employer contribution rate was 16.70% of which 5.00% was used to fund health care.

Assumptions and calculations were based on the Systems's latest Actuarial Review performed as of December 31, 2001. An entry age normal actuarial cost method of valuation is used in determining the present value of OPEB. The difference between assumed and actual experience (actuarial gains and losses) becomes part of unfunded actuarial accrued liability. All investments are carried at market value. For actuarial valuation purposes, a smoothed market approach is used. Under this approach assets are adjusted annually to reflect 25% of unrealized market appreciation or depreciation on investment assets. The investment assumption rate for 2001 was 8.00%. An annual increase of 4.00% compounded annually, is the base portion of the individual pay increase assumption. This assumes no change in the number of active employees. Additionally, annual pay increases, over and above the 4.00% base increase were assumed to range from .50% to 6.30%. Health care costs were assumed to increase 4.00% annually. All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25% of unrealized market appreciation or depreciation on investment assets.

At December 31, 2001, the total number of active contributing participants was 402,041. The 2002 rate of 5.00% was the actuarially determined contribution requirements for PERS. As of December 31, 2001, the net assets available for future OPEB were \$11.6 million. The County's actual contributions for 2002 which were used to fund OPEB was \$2,079,876 for employees other than law enforcement and \$259,920 for law enforcement employees. The actuarially accrued liability and the unfunded actuarial accrued liability, based on the actuarial cost method used, were \$16.4 billion and \$4.8 billion, respectively.

In December 2001, the Board adopted the Health Care "Choices" plan in its continuing effort to respond to the rise in the cost of Health Care. The Choices Plan will be offered to all persons newly hired under OPERS after January 1, 2003, with no prior service credit accumulated toward health care coverage. Choices, as the name suggests, will incorporate a cafeteria approach, offering a more broad range of health care options. The Plan uses a graded scale from ten to thirty years to calculate a monthly health care benefit.

Comprehensive health care benefits are provided to retired teachers and their dependents through the State Teachers Retirement System (STRS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. 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.

All benefit recipients are required to 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 contributions. The employer health care contributions were 4.50 % for fiscal years ended June 30, 2001 and 2002; and 1.00 % for fiscal year ended June 30, 2003. The County's actual contribution for 2002 which were used to fund the Health Care Reserve were \$38,874. As of June 30, 2002, eligible benefits recipients totaled 105,300. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000.

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

NOTE N: Other Employee Benefits

County employees have the option of participating in four state-wide deferred compensation plans created in accordance with the Internal Revenue Code Section 457. Under this program, employees elect to have a portion of their pay deferred until a future time. According to this plan, the deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The deferred pay and any income earned thereon is not subject to income tax until actually received by the employee. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) must be held in a trust, custodial account, or annuity contract for the exclusive benefit of plan participants and their beneficiaries. Deferred amounts from the plan are not considered "made available" just because a trust, custodial account or annuity contract holds these amounts. The Plan Agreement states that the County and the plan administrators have no liability for losses under the plan with the exception of fraud or wrongful taking.

NOTE O: Commitments and Contingencies

Construction Commitments:

As of December 31, 2002, the County had contractual commitments for construction projects as follows:

Project	Fund	Total Contracts	Completed to Date	Commitment Remaining
Road & Bridge Construction	M V & G	\$5,623,096	\$5,031,712	\$591,384
Road Improvement	Planning & Development Capital	11,674,567	10,646,815	1,027,752
Detention Construction	Detention Capital	1,403,495	430,969	972,526
Justice Building Construction	Justice Capital	2,283,566	1,714,370	569,196
Miscellaneous Construction	County Capital	1,479,703	55,315	1,424,388
Emergency Communication	Emergency Communication Capital	514,761	490,641	24,120
Water	Water District	8,761,604	6,817,686	1,943,918
Sewer	Sewer District	<u>21,378,883</u>	<u>17,960,647</u>	<u>3,418,236</u>
Total		<u>\$53,119,675</u>	<u>\$43,148,155</u>	<u>\$9,971,520</u>

Consent Order Dated November 7, 1989:

The Office of the Ohio Attorney General has brought suit on behalf of the Environmental Protection Agency relating to violations of the NPDES permits issued to the County. A consent order was placed on record on November 7, 1989 establishing certain time frames for construction of improvements to the facilities and establishing certain landmark dates for the completion of interim work. Management believes that the County is currently in compliance with the consent order.

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

NOTE O: Commitments and Contingencies (Continued)

Other Civil Claims:

The County is a defendant in a number of claims and lawsuits which may be classified as routine litigation in which minimal nonmaterial damages are being sought. In addition, the County is a defendant in numerous other claims and lawsuits in which the County believes either they will prevail in the litigation or the amounts claimed are overstated and not fair estimates of the ultimate settlements, if any. Amounts paid by the County in 2002 for litigation settled were not material. There are no liabilities associated with any contingencies carried in the accompanying financial statements based upon the information disclosed in the above paragraph.

NOTE P: Federal and State Grants

The County participates in a number of Federal and State assisted grant programs. The significant programs are: FEMA, Work Force Investment Act Grants, Community Development Block grants, Food Stamp Program, Highway planning construction, Transportation grants, Mental Health and Mental Disability grants. These programs are subject to financial and compliance audits by the Auditor of State under the Single Audit Act of 1984, Single Audit Act as amended in 1996 and OMB Circular A-133. At May 31, 2002, the audits of certain programs have been completed. Accordingly, the County's compliance with applicable grant regulations do not have a material adverse effect on the County's financial position.

NOTE Q: Interfund Receivables/Payables

Individual fund interfund assets/liabilities balances as of December 31, 2002, related to the primary government were as follows:

	ASSET	LIABILITY
GOVERNMENTAL ACTIVITIES:		
	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$1,888,685	\$433,613
Nonmajor Governmental Funds		1,888,685
BUSINESS-TYPE ACTIVITIES		
Water	147,322	0
Sewer	<u>286,291</u>	<u>0</u>
TOTAL	<u>\$2,322,298</u>	<u>\$2,322,298</u>

During 2002, the County General fund made advances to nonmajor governmental funds in anticipation of intergovernmental grant revenue. In 1997, the County approved the sale of certain fixed assets of the Water and Sewer Funds to the General Fund of the County. Payments for the assets are to be made over a 10 year period. As of December 31, 2002, the sale of the assets resulted in the County General fund recognizing an interfund payable of \$433,613 and the Water and Sewer funds recognizing an interfund receivable in the amounts of \$147,322 and \$286,291 respectively. Remaining interfund activity relates to local funding from the County General Fund related to County Policies for cash flow and operating cash levels of governmental funds.

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

NOTE R: Interfund Transactions

Transfers are 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 payment 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.

A summary of transfers is as follows:

<u>Transfer To</u>	<u>Transfer From</u>					<u>Total</u>
	<u>General</u>	<u>MV & G</u>	<u>County Capital</u>	<u>Nonmajor Governmental</u>	<u>Internal Service</u>	
General	\$0	\$0	\$0	\$2,500	\$0	\$2,500
Social Services	928,000	0	0	0	0	928,000
MV & G	399	0	0	0	0	399
Judicial Project	176,600	0	0	0	0	176,600
County Capital	451,900	0	0	0	0	451,900
Nonmajor Governmental	3,360,818	1,188,425	4,442,081	17,858	150,000	9,141,334
Water	0	0	0	60,000	0	60,000
Sewer	0	0	0	260,000	0	260,000
TOTALS	<u>\$4,917,717</u>	<u>\$1,188,425</u>	<u>\$4,442,091</u>	<u>\$322,500</u>	<u>\$150,000</u>	<u>\$11,020,733</u>

The County issued and sold \$60,000 of bonds in anticipation of special assessments levied for the purpose of construction and maintaining the Easter Lane and Freda Lane Waterline Project. \$260,000 of bonds were also issued in anticipation of special assessments levied for the purpose of construction and maintaining the Owensville North Sewer Project on November 1, 2002. The Water and Sewer Funds administrate the construction and maintenance of these projects. Consequently, the County's Capital Project Funds contributed \$60,000 to the Water Fund and \$260,000 to the Sewer fund via transfers.

NOTE S: Amendments to Original Appropriations Budget

Amendments beyond the object level must be approved by the Board of County Commissioners. In 2002, the original appropriation measure was increased and decreased by the Commissioners with the net effect as follows: General Fund, \$3,616,135; Special Revenue Funds, \$5,624,598; Capital Project Funds, (\$5,963,055); and Debt Service Funds, (\$332,156).

NOTE T: Risk Management

The County is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Arthur J. Gallagher & Co. administers all County real and personal property, comprehensive general liability including law enforcement liability, blanket crime coverage, public officials liability insurance, fleet insurance, and a comprehensive boiler and machinery coverage.

In January of 2003, the County reduced the insurance coverage from coverage in 2002. Real and personal property, general liability, including law enforcement liability and public officials liability, are coverages that fall under the County's Protected Self-insurance program. United National Insurance Company provides a

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

Note T: Risk Management (Continued)

\$1,000,000 limit for comprehensive general liability including law enforcement activities, and \$6,990,800 limit for real and personal property coverage. Travelers Indemnity provides a \$99,000,000 limit excess of all real and personal property policies. The 2002 coverage for comprehensive general liability including law enforcement activities was \$50,000,000 and \$217,827,600 limit for real and personal property coverage. United National Insurance Company provides a \$9,000,000 limit excess of primary liability policies subject to \$5,000,000 limit for employment practices liability. The 2002 coverage was \$9,000,000 with employment practices liability being at the same level. United National Insurance Company covers up to \$1,000,000 for public officials liability. This coverage is at the same level as 2002.

All coverages in the program are subject to the following per occurrence retention: Property - \$1,000,000; General Liability - \$1,000,000; and a Combined maximum - \$2,000,000. 2002 coverage was subject to the following per occurrence retention: Property - \$25,000; General Liability - \$250,000; and a Combined maximum - \$500,000.

The United National Insurance Company provides fleet insurance coverage with \$1,000,000 liability limit subject to a \$1,000,000 property damage liability and comprehensive and collision coverage for certain vehicles subject to deductibles of \$25,000. 2002 fleet insurance was subject to a \$25,000 property damage liability and comprehensive and collision coverage. The Travelers Indemnity Company provides boiler and machinery coverage with limits up to \$50,000,000 subject to a \$10,000 deductible. This coverage remains the same as 2002. The Travelers Casualty and Surety Company of America provides the County's crime insurance. The County is insured up to \$250,000 for dishonest acts of employees, theft or destruction of liquid assets, and \$75,000 for money and securities limits. Deductibles are \$1,000 employee dishonesty and \$1,000 money and securities. Crime insurance coverage remains the same with the exception of deductibles. The 2002 deductibles were \$250 employee dishonest and \$1,000 money and securities. Settled claims have not exceeded this commercial coverage in any of the past five years.

The County pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs. The County has elected to provide employees major medical, vision and hospitalization through a self-insured program. The County maintains a self-insurance internal service fund to account for and finance its uninsured risks of loss in this program. A third party administrator, Anthem Blue Cross and Blue Shield and Dental Care Plus Insurance Companies, reviews all claims which are then paid by the County. The County purchases stop-loss coverage of \$100,000 per employee and an aggregate limit of \$1,000,000. The County pays into the self-insurance internal service fund \$583.62 for family coverage and \$302.90 for individual coverage per employee per month which represents the entire premium required. The premium is paid by the fund that pays the salary for the employee and is based on historic cost information. The claims liability of \$481,175 reported in the Health Insurance fund at December 31, 2002, is estimated by the third party administrator and is based on the requirements of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The estimate was not affected by incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in the fund's claims liability amount in 2002 were:

	Claims Balance Beginning of Year	Current Year Claims and Changes in Claims Estimate	Claims Payments	Claims Balance at Year End
2001	\$469,027	\$6,092,906	(\$5,924,033)	\$637,900
2002	\$637,900	6,989,131	(7,145,856)	\$481,175

CLERMONT COUNTY, OHIO
COMBINING FINANCIAL STATEMENTS
AND
SCHEDULES

Clermont County
Combining Statements - Nonmajor Governmental Funds

Nonmajor Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Health and Solid Waste District Fund - This fund is used to account for the County's dog and kennel registration program and solid waste management.

Real Estate Assessment Fund - This fund is used to account for the monies collected from tax settlements to finance the appraisal of real property and County Lodging tax collected to finance the Convention and Visitor's Bureau of the County.

Other Legislative Fund - This fund is used to account for the fees collected by the Certificate of Title office and supplemental fees collected by the Recorder.

Public Safety Fund - This fund is used to account for the fees and grants related to law enforcement, probation and community oriented policing.

Community Transportation Fund - This fund is used to account for the grants and fees collected to provide door to door public transit service for County residents.

Judicial Programs Fund - This fund is used to account for fees and grants to finance advocate, mediation and victim assistance.

Community Development Fund - This fund is used to account for federal development block grant monies and other developmental grants to fund local improvements to areas in the County with low to moderate income population.

Computer Legal Research Fund - This fund is used to account for court fees restricted to computer legal research of the court system.

Nonmajor Debt Service Funds

Debt service funds are used to account for the accumulation of resources for the payment of general obligation bond principal and interest and certain other long-term obligations which the County is obligated for the payment. The County has two debt service funds; one to account for the general obligation payments and the other to account for the special assessment debt.

Continued

Clermont County
Combining Statements - Nonmajor Governmental Funds - Continued

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Public Safety Projects Fund - This fund is used to account for the financial sources to be used for the construction and renovation of major safety projects and the jail renovation project.

Social Services Projects Fund - This fund is used to account for the financial sources to be used for the renovation of the medical social service building.

Communication Center Projects Fund - This fund is used to account for the financial sources to be used for the acquisition, construction and improvement of the County's 911 emergency response systems.

Community Development Projects Fund - This fund is used to account for the financial sources to be used for the acquisition and construction of infrastructure improvements and community development projects.

Road Assessment Projects Fund - This fund is used to account for the financial sources to be used for the acquisition, construction and improvements of county roads.

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

	Nonmajor Special Revenue Funds				
	Health and Solid Waste District	Real Estate Assessment	Other Legislative	Public Safety	Community Transportation
Assets					
Equity in Pooled Cash and Cash Equivalents	\$904,002	\$1,556,260	\$365,886	\$2,255,731	\$83,934
Receivables:					
Accounts	2,982	0	9,086	35,057	22,786
Special Assessments	0	0	0	0	0
Accrued Interest	0	0	0	2,242	0
Interfund	0	0	0	0	0
Intergovernmental	16,980	0	0	1,002,522	81,547
Prepaid Expenses	0	0	0	0	4,082
Loans Receivable	0	0	0	0	0
<i>Total Assets</i>	<u>\$923,964</u>	<u>\$1,556,260</u>	<u>\$374,972</u>	<u>\$3,295,552</u>	<u>\$192,349</u>
Liabilities and Fund Balances					
Liabilities					
Accounts Payable	\$16,164	\$9,494	\$51,194	\$167,553	\$7,125
Contracts Payable	0	0	0	0	0
Accrued Wages and Benefits	1,594	23,981	13,194	37,138	16,594
Intergovernmental Payable	2,658	30,990	15,428	39,528	24,489
Interfund payable	0	0	0	5,500	50,000
Deferred Revenue	16,980	0	0	973,638	0
Matured Special Assessment Bonds Payable	0	0	0	0	0
Matured Interest Payable	0	0	0	0	0
Accrued Interest Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
<i>Total Liabilities</i>	<u>37,396</u>	<u>64,465</u>	<u>79,816</u>	<u>1,223,357</u>	<u>98,208</u>
Fund Balances					
Reserved for Encumbrances	15,724	161,666	22,778	31,336	18,547
Reserved for Loans	0	0	0	0	0
Unreserved:					
Undesignated, Reported in:					
Special Revenue Funds	870,844	1,330,129	272,378	2,040,859	75,594
Debt Service Funds	0	0	0	0	0
Capital Projects Funds (Deficit)	0	0	0	0	0
<i>Total Fund Balances (Deficit)</i>	<u>886,568</u>	<u>1,491,795</u>	<u>295,156</u>	<u>2,072,195</u>	<u>94,141</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$923,964</u>	<u>\$1,556,260</u>	<u>\$374,972</u>	<u>\$3,295,552</u>	<u>\$192,349</u>

Judicial Programs	Community Development	Computer Legal Research	Nonmajor Debt Service Funds		Public Safety Projects	Social Services Projects	Nonmajor Capital Communications Center Projects
			County Debt Service	Special Assessment			
\$172,225	\$721,757	\$1,640,454	\$22,883	\$226,344	\$8,838,142	\$605,662	\$1,046,095
334	0	2,999	0	0	0	0	0
0	0	0	0	5,323,868	0	0	0
0	124	0	0	0	12,796	3,645	0
0	0	0	0	0	0	0	0
62,838	200,009	0	0	0	107,628	0	0
0	0	7,873	0	0	0	0	0
0	99,224	0	0	0	0	0	0
<u>\$235,397</u>	<u>\$1,021,114</u>	<u>\$1,651,326</u>	<u>\$22,883</u>	<u>\$5,550,212</u>	<u>\$8,958,566</u>	<u>\$609,307</u>	<u>\$1,046,095</u>
\$4,157	\$153,657	\$12,801	\$0	\$0	\$0	\$0	\$0
0	0	0	0	0	83,275	0	12,272
3,265	0	0	0	0	0	0	0
4,974	0	0	0	0	0	0	0
0	133,185	0	0	0	0	0	0
62,838	100,094	0	0	5,319,860	115,676	2,292	0
0	0	0	0	1,000	0	0	0
0	0	0	0	8,863	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>75,234</u>	<u>386,936</u>	<u>12,801</u>	<u>0</u>	<u>5,329,723</u>	<u>198,951</u>	<u>2,292</u>	<u>12,272</u>
2,639	446,403	21,036	0	0	970,349	0	39,204
0	99,224	0	0	0	0	0	0
157,524	88,551	1,617,489	0	0	0	0	0
0	0	0	22,883	220,489	0	0	0
0	0	0	0	0	7,789,266	607,015	994,619
<u>160,163</u>	<u>634,178</u>	<u>1,638,525</u>	<u>22,883</u>	<u>220,489</u>	<u>8,759,615</u>	<u>607,015</u>	<u>1,033,823</u>
<u>\$235,397</u>	<u>\$1,021,114</u>	<u>\$1,651,326</u>	<u>\$22,883</u>	<u>\$5,550,212</u>	<u>\$8,958,566</u>	<u>\$609,307</u>	<u>\$1,046,095</u>

Continued

Clermont County, Ohio
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2002 -Continued

	Projects Funds		Total NonMajor Governmental Funds
	Community Development Projects	Road Assessment Projects	
Assets			
Equity in Pooled Cash and Cash Equivalents	\$1,556,008	\$715,374	\$20,710,757
Receivables:			
Accounts	0	0	73,244
Special Assessments	0	0	5,323,868
Accrued Interest	0	0	18,807
Interfund	0	0	0
Intergovernmental	915,211	0	2,386,735
Prepaid Expenses	0	0	11,955
Loans Receivable	0	0	99,224
<i>Total Assets</i>	<u>\$2,471,219</u>	<u>\$715,374</u>	<u>\$28,624,590</u>
Liabilities and Fund Balances			
Liabilities			
Accounts Payable	\$0	\$0	\$422,145
Contracts Payable	25,132	5,852	126,531
Accrued Wages and Benefits	0	0	95,766
Intergovernmental Payable	0	0	118,067
Interfund payable	1,700,000	0	1,888,685
Deferred Revenue	915,211	0	7,506,589
Matured Special Assessment Bonds Payable	0	0	1,000
Matured Interest Payable	0	0	8,863
Accrued Interest Payable	0	3,392	3,392
Notes Payable	0	3,300,000	3,300,000
<i>Total Liabilities</i>	<u>2,640,343</u>	<u>3,309,244</u>	<u>13,471,038</u>
Fund Balances			
Reserved for Encumbrances	1,058,215	384,015	3,171,912
Reserved for Loans	0	0	99,224
Unreserved			
Undesignated, Reported in:			
Special Revenue Funds (Deficit)	0	0	6,453,368
Debt Service Funds	0	0	243,372
Capital Projects Funds (Deficit)	(1,227,339)	(2,977,885)	5,185,676
<i>Total Fund Balances (Deficit)</i>	<u>(169,124)</u>	<u>(2,593,870)</u>	<u>15,153,552</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,471,219</u>	<u>\$715,374</u>	<u>\$28,624,590</u>

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

	Nonmajor Special Revenue Funds				
	Health and Solid Waste District	Real Estate Assessment	Other Legislative	Public Safety	Community Transportation
Revenues					
Property and Other Taxes	\$0	\$323,423	\$0	\$0	\$0
Charges for Services	285,746	1,790,449	1,066,265	158,479	688,639
Licenses and Permits	190,551	0	0	0	0
Fines and Forfeitures	32,049	0	0	299,038	0
Intergovernmental	157,852	0	0	2,431,097	774,620
Special Assessments	0	0	0	0	0
Investment Earnings	0	4,937	0	92,523	0
Net Decrease in Fair Value of Investments	0	0	0	(1,275)	0
Other	223	0	0	29,683	13,179
Total Revenues	666,421	2,118,809	1,066,265	3,009,545	1,476,438
Expenditures					
Current:					
General Government					
Legislative and Executive	0	2,493,583	1,087,161	0	0
Judicial	0	0	0	0	0
Public Safety	0	0	0	3,102,732	0
Health	532,492	0	0	0	0
Transportation	0	0	0	0	1,875,182
Capital Outlay	0	0	0	0	0
Intergovernmental	0	0	0	0	0
Debt Service:					
Principal Retirement	0	0	0	0	0
Interest and Fiscal Charges	0	0	0	0	0
Total Expenditures	532,492	2,493,583	1,087,161	3,102,732	1,875,182
Excess of Revenues Over (Under) Expenditures	133,929	(374,774)	(20,896)	(93,187)	(398,744)
Other Financing Sources (Uses)					
OPWC Bonds Issued	0	0	0	0	0
Special Assessment Bonds Issued	0	0	0	0	0
Transfers In	0	0	100,000	332,780	213,580
Transfers Out	0	0	0	(2,500)	0
Proceeds from the Sale of Fixed Assets	0	0	0	0	188,981
Total Other Financing Sources (Uses)	0	0	100,000	330,280	402,561
Net Change in Fund Balances	133,929	(374,774)	79,104	237,093	3,817
Fund Balances (Deficit) at Beginning of Year	752,639	1,866,569	216,052	1,835,102	90,324
Fund Balances (Deficit) End of Year	\$886,568	\$1,491,795	\$295,156	\$2,072,195	\$94,141

Judicial Programs	Community Development	Computer Legal Research	Nonmajor Debt Service Funds		Nonmajor Capital		
			County Debt Service	Special Assessment	Public Safety Projects	Social Services Projects	Communications Center Projects
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
106,532	440	516,883	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
86,949	2,041,820	0	0	0	737,299	0	0
0	0	0	0	548,581	0	0	0
0	706	0	0	0	186,897	17,187	0
0	(70)	0	0	0	(7,277)	(2,073)	0
3,700	1,376	0	0	7,013	0	0	0
<u>197,181</u>	<u>2,044,272</u>	<u>516,883</u>	<u>0</u>	<u>555,594</u>	<u>916,919</u>	<u>15,114</u>	<u>0</u>
0	0	0	0	0	0	0	0
225,394	0	151,528	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	967,443	156,748	1,309,038
0	2,066,421	0	0	0	0	0	0
0	0	0	3,263,938	371,000	0	0	0
0	0	0	2,057,999	207,034	0	0	0
<u>225,394</u>	<u>2,066,421</u>	<u>151,528</u>	<u>5,321,937</u>	<u>578,034</u>	<u>967,443</u>	<u>156,748</u>	<u>1,309,038</u>
<u>(28,213)</u>	<u>(22,149)</u>	<u>365,355</u>	<u>(5,321,937)</u>	<u>(22,440)</u>	<u>(50,524)</u>	<u>(141,634)</u>	<u>(1,309,038)</u>
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
78,300	40,000	0	5,320,246	0	243,400	195,200	1,244,070
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
<u>78,300</u>	<u>40,000</u>	<u>0</u>	<u>5,320,246</u>	<u>0</u>	<u>243,400</u>	<u>195,200</u>	<u>1,244,070</u>
50,087	17,851	365,355	(1,691)	(22,440)	192,876	53,566	(64,968)
110,076	616,327	1,273,170	24,574	242,929	8,566,739	553,449	1,098,791
<u>\$160,163</u>	<u>\$634,178</u>	<u>\$1,638,525</u>	<u>\$22,883</u>	<u>\$220,489</u>	<u>\$8,759,615</u>	<u>\$607,015</u>	<u>\$1,033,823</u>

Continued

Clermont County, Ohio
*Combining Statement of Revenues, Expenditures and
 Changes in Fund Balance
 Nonmajor Governmental Funds
 For the Year Ended December 31, 2002 - Continued*

	Projects Funds		Total Nonmajor Governmental Funds
	Community Development Projects	Road Assessment Projects	
Revenues			
Property and Other Taxes	\$0	\$0	\$323,423
Charges for Services	0	0	4,613,433
Licenses and Permits	0	0	190,551
Fines and Forfeitures	0	0	331,087
Intergovernmental	3,788,271	642,114	10,660,022
Special Assessments	0	0	548,581
Investment Earnings	0	43,257	345,507
Net Decrease in Fair Value of Investments	0	0	(10,695)
Other	249	0	55,423
<i>Total Revenues</i>	<u>3,788,520</u>	<u>685,371</u>	<u>17,057,332</u>
Expenditures			
Current:			
General Government			
Legislative and Executive	0	0	3,580,744
Judicial	0	0	376,922
Public Safety	0	0	3,102,732
Health	0	0	532,492
Transportation	0	0	1,875,182
Capital Outlay	5,216,131	3,115,322	10,764,682
Intergovernmental	0	0	2,066,421
Debt Service:			
Principal Retirement	0		3,634,938
Interest and Fiscal Charges	0	79,974	2,345,007
<i>Total Expenditures</i>	<u>5,216,131</u>	<u>3,195,296</u>	<u>28,279,120</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,427,611)</u>	<u>(2,509,925)</u>	<u>(11,221,788)</u>
Other Financing Sources (Uses)			
OPWC Bonds Issued	0	357,521	357,521
Special Assessment Bonds Issued	0	320,000	320,000
Transfers In	1,373,758	0	9,141,334
Transfers Out	0	(320,000)	(322,500)
Proceeds from the Sale of Fixed Assets	0	0	188,981
<i>Total Other Financing Sources (Uses)</i>	<u>1,373,758</u>	<u>357,521</u>	<u>9,685,336</u>
Net Change in Fund Balances	(53,853)	(2,152,404)	(1,536,452)
Fund Balances (Deficit) at Beginning of Year	<u>(115,271)</u>	<u>(441,466)</u>	<u>16,690,004</u>
Fund Balances (Deficit) End of Year	<u>(\$169,124)</u>	<u>(\$2,593,870)</u>	<u>\$15,153,552</u>

**INDIVIDUAL FUND SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL**

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

General Fund

	Original Budget	Final Budget	Actual	Variance with Final budget Favorable (Unfavorable)
Revenues:				
Taxes.....	\$25,500,900	\$25,500,900	\$25,809,798	\$308,898
Charges for services.....	9,281,845	9,281,845	10,638,303	1,356,458
Licenses and permits.....	1,215,500	1,215,500	1,068,150	(147,350)
Fines and forfeitures.....	1,490,700	1,490,700	1,376,624	(114,076)
Intergovernmental.....	4,124,440	4,184,643	4,458,416	273,773
Investment earnings.....	3,401,808	3,401,808	4,041,016	639,208
All other revenues.....	177,475	178,775	5,191,222	5,012,447
Total revenues.....	<u>45,192,668</u>	<u>45,254,171</u>	<u>52,583,529</u>	<u>7,329,358</u>
Expenditures:				
Current:				
General Government				
Legislative and executive				
Commissioners				
Personal services.....	788,407	790,792	752,803	37,989
Purchased services.....	174,831	274,973	266,022	8,951
Materials and supplies.....	15,980	22,476	22,062	414
Maintenance and repair.....	11,071	9,851	8,776	1,075
Utilities.....	15,874	15,574	14,525	1,049
Total Commissioners.....	<u>1,006,163</u>	<u>1,113,666</u>	<u>1,064,188</u>	<u>49,478</u>
Department of Personnel				
Personal services.....	343,900	343,900	328,838	15,062
Purchased services.....	40,445	35,245	18,221	17,024
Materials and supplies.....	6,789	6,767	6,764	3
Maintenance and repair.....	3,324	2,928	1,827	1,101
Utilities.....	3,118	3,718	3,361	357
Total Department of Personnel.....	<u>397,576</u>	<u>392,558</u>	<u>359,011</u>	<u>33,547</u>
Department of Management & Budget				
Personal services.....	292,000	307,200	296,528	10,672
Purchased services.....	65,923	59,274	52,325	6,949
Materials and supplies.....	10,287	9,096	7,186	1,910
Maintenance and repair.....	17,202	18,075	7,944	10,131
Utilities.....	7,286	5,352	3,952	1,400
Total Dept. of Management & Budget.....	<u>392,698</u>	<u>398,997</u>	<u>367,935</u>	<u>31,062</u>
Facilities Maintenance				
Personal services.....	587,565	587,565	546,064	41,501
Purchased services.....	478,194	472,297	453,662	18,635
Materials and supplies.....	149,128	154,825	149,137	5,688
Maintenance and repair.....	94,180	70,726	58,743	11,983
Utilities.....	1,063,916	1,036,005	1,021,936	14,069
Capital outlay.....	18,435	15,066	13,170	1,896
Total Facilities Maintenance.....	<u>2,391,418</u>	<u>2,336,484</u>	<u>2,242,712</u>	<u>93,772</u>

Continued

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

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Favorable (Unfavorable)
Auditor - General Office				
Personal services.....	808,651	808,651	805,848	2,803
Purchased services.....	28,580	28,580	24,023	4,557
Materials and supplies.....	31,460	31,045	30,599	446
Maintenance and repair.....	27,388	27,388	22,196	5,192
Utilities.....	10,133	10,133	10,110	23
Total Auditor - General Office.....	906,212	905,797	892,776	13,021
Auditor - Personal Property				
Personal services.....	45,836	45,836	45,389	447
Purchased services.....	5,200	5,200	2,354	2,846
Materials and supplies.....	4,265	4,265	4,226	39
Utilities.....	528	516	516	0
Total Auditor-Personal Property.....	55,829	55,817	52,485	3,332
Information Systems				
Personal services.....	1,410,275	1,410,275	1,404,666	5,609
Purchased services.....	358,544	236,350	181,190	55,160
Materials and supplies.....	51,355	49,150	47,377	1,773
Maintenance and repair.....	238,044	310,279	297,141	13,138
Utilities.....	147,217	140,860	124,740	16,120
Total Information Systems.....	2,205,435	2,146,914	2,055,114	91,800
Records Retention				
Personal services.....	130,967	130,967	114,148	16,819
Purchased services.....	6,964	3,981	1,687	2,294
Materials and supplies.....	6,250	7,684	7,185	499
Maintenance and repair.....	2,720	3,720	3,632	88
Utilities.....	3,569	3,937	3,612	325
Total Records Retention.....	150,470	150,289	130,264	20,025
Budget Commission				
Purchased services.....	300	300	288	12
Materials and supplies.....	1,435	1,435	955	480
Total Budget Commission.....	1,735	1,735	1,243	492
Board of Revision				
Purchased services.....	2,600	2,600	964	1,636
Materials and supplies.....	1,700	1,700	1,500	200
Total Board of Revision.....	4,300	4,300	2,464	1,836
Bureau of Inspection				
Purchased services.....	98,888	107,239	107,238	1
Utilities.....	1,006	1,106	989	117
Total Board of Inspection.....	99,894	108,345	108,227	118

Continued

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

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Favorable (Unfavorable)
Auditor - BMV				
Personal services.....	254,600	317,410	317,410	0
Purchased services.....	33,360	31,360	30,904	456
Materials and supplies.....	3,164	3,018	2,989	29
Maintenance and repair.....	1,000	0	0	0
Utilities.....	4,810	4,810	4,810	0
Total Auditor - BMV.....	296,934	356,598	356,113	485
Auditor - Tax Map				
Personal services.....	100,021	100,021	91,650	8,371
Purchased services.....	4,450	4,450	4,233	217
Materials and supplies.....	11,623	10,964	10,152	812
Maintenance and repair.....	9,322	9,322	8,302	1,020
Utilities.....	1,850	1,850	1,850	0
Total Auditor - Tax Map.....	127,266	126,607	116,187	10,420
Treasurer				
Personal services.....	461,767	448,767	446,333	2,434
Purchased services.....	23,977	65,735	64,104	1,631
Materials and supplies.....	63,427	63,113	62,448	665
Maintenance and repair.....	30,449	28,371	25,512	2,859
Utilities.....	10,138	9,638	7,152	2,486
Total Treasurer.....	589,758	615,624	605,549	10,075
Prosecuting Attorney				
Personal services.....	2,061,661	2,095,861	2,050,906	44,955
Purchased services.....	70,430	63,845	57,635	6,210
Materials and supplies.....	28,566	25,968	15,063	10,905
Maintenance and repair.....	15,905	14,726	12,034	2,692
Utilities.....	17,620	17,257	16,857	400
Total Prosecuting Attorney.....	2,194,182	2,217,657	2,152,495	65,162
Board of Elections				
Personal services.....	495,253	495,253	467,698	27,555
Purchased services.....	347,166	347,166	325,018	22,148
Materials and supplies.....	109,111	108,755	71,997	36,758
Maintenance and repair.....	16,287	16,287	13,966	2,321
Utilities.....	6,406	6,406	5,373	1,033
Capital outlay.....	2,526	2,526	2,526	0
Total Board of Elections.....	976,749	976,393	886,578	89,815
Recorder				
Personal services.....	340,900	396,900	388,984	7,916
Purchased services.....	7,623	25,023	24,728	295
Materials and supplies.....	18,371	29,480	29,329	151
Maintenance and repair.....	500	9,500	4,780	4,720
Utilities.....	6,665	6,665	6,665	0
Total Recorder.....	374,059	467,568	454,486	13,082

Continued

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

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Favorable (Unfavorable)
Insurance, Health and Judgements				
Personal services.....	26,625	21,425	0	21,425
Purchased services.....	526,778	525,818	520,668	5,150
Total Insurance, Health and Judgements.....	553,403	547,243	520,668	26,575
Legislative and Executive Grants				
Personal services.....	10,000	6,605	0	6,605
Purchased services.....	270,000	269,800	228,862	40,938
Utilities.....	15,000	14,300	0	14,300
Total Legislative and Executive Grants.....	295,000	290,705	228,862	61,843
Capital Purchases				
Material and Supplies.....	300,000	306,270	306,270	0
Maintenance and repair.....	15,000	15,000	0	15,000
Capital outlay.....	863,613	1,041,738	1,041,738	0
Total Capital Purchases.....	1,178,613	1,363,008	1,348,008	15,000
Total legislative and executive.....	14,197,694	14,576,305	13,945,365	630,940
Judicial				
Court of Appeals				
Purchased services.....	140,000	119,600	87,081	32,519
Common Pleas Court				
Personal services.....	643,960	638,960	572,945	66,015
Purchased services.....	177,273	185,477	176,268	9,209
Materials and supplies.....	21,019	24,965	24,821	144
Maintenance and repair.....	7,715	7,325	5,080	2,245
Utilities.....	19,300	16,147	16,147	0
Total Common Pleas Court.....	869,267	872,874	795,261	77,613
Jury Commission				
Personal services.....	161,004	160,274	149,682	10,592
Purchased services.....	24,175	14,175	10,889	3,286
Materials and supplies.....	7,000	7,000	6,896	104
Maintenance and repair.....	2,051	2,051	475	1,576
Utilities.....	3,075	3,286	3,182	104
Total Jury Commission.....	197,305	186,786	171,124	15,662
Law Library				
Personal services.....	129,039	130,269	123,789	6,480
Purchased services.....	500	0	0	0
Utilities.....	880	574	517	57
Total Law Library.....	130,419	130,843	124,306	6,537
Domestic Relations Court				
Personal services.....	731,299	716,445	713,255	3,190
Purchased services.....	27,009	37,909	35,868	2,041
Materials and supplies.....	21,353	21,353	18,311	3,042
Maintenance and repair.....	6,203	9,703	8,161	1,542
Utilities.....	10,500	10,500	10,469	31
Other expenditures.....	0	454	454	0
Total Domestic Relations Court.....	796,364	796,364	786,518	9,846

Continued

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

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Favorable (Unfavorable)
Juvenile Court				
Personal services.....	1,002,923	1,013,349	1,002,714	10,635
Purchased services.....	144,301	175,289	174,818	471
Materials and supplies.....	37,054	42,494	41,707	787
Maintenance and repair.....	7,772	7,449	7,444	5
Utilities.....	16,779	14,426	14,426	0
Other expenditures.....	0	1,529	1,529	0
Total Juvenile Court.....	<u>1,208,829</u>	<u>1,254,536</u>	<u>1,242,638</u>	<u>11,898</u>
Probate Court				
Personal services.....	272,206	274,311	274,290	21
Purchased services.....	33,090	34,590	34,101	489
Materials and supplies.....	11,827	11,105	9,872	1,233
Maintenance and repair.....	3,860	3,910	3,725	185
Utilities.....	4,974	4,855	4,297	558
Total Probate Court.....	<u>325,957</u>	<u>328,771</u>	<u>326,285</u>	<u>2,486</u>
Clerk of Courts				
Personal services.....	826,876	826,476	822,634	3,842
Purchased services.....	99,684	91,083	86,977	4,106
Materials and supplies.....	68,960	108,150	107,688	462
Maintenance and repair.....	9,882	12,079	11,902	177
Utilities.....	8,000	10,750	10,750	0
Total Clerk of Courts.....	<u>1,013,402</u>	<u>1,048,538</u>	<u>1,039,951</u>	<u>8,587</u>
Clerk - Municipal Court				
Personal services.....	850,065	846,715	834,180	12,535
Purchased services.....	30,377	28,356	26,341	2,015
Materials and supplies.....	74,296	96,241	95,825	416
Maintenance and repair.....	3,027	3,000	2,893	107
Utilities.....	15,548	15,034	15,034	0
Total Clerk - Municipal Court.....	<u>973,313</u>	<u>989,346</u>	<u>974,273</u>	<u>15,073</u>
Public Defender				
Personal services.....	736,533	736,533	731,169	5,364
Purchased services.....	37,478	34,997	33,631	1,366
Materials and supplies.....	10,612	12,792	12,471	321
Maintenance and repair.....	2,080	2,080	683	1,397
Utilities.....	6,809	6,791	6,091	700
Total Public Defender.....	<u>793,512</u>	<u>793,193</u>	<u>784,045</u>	<u>9,148</u>
Municipal Court				
Personal services.....	802,574	793,574	777,133	16,441
Purchased services.....	22,931	31,701	27,268	4,433
Materials and supplies.....	20,232	20,007	15,409	4,598
Maintenance and repair.....	4,583	4,583	3,463	1,120
Utilities.....	11,610	11,491	10,304	1,187
Total Municipal Court.....	<u>861,930</u>	<u>861,356</u>	<u>833,577</u>	<u>27,779</u>
Total judicial.....	<u>7,310,298</u>	<u>7,382,207</u>	<u>7,165,059</u>	<u>217,148</u>

Continued

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

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Favorable (Unfavorable)
Public safety				
Communications Center				
Personal services.....	1,102,106	1,112,106	1,055,627	56,479
Purchased services.....	306,840	798,732	779,590	19,142
Materials and supplies.....	23,277	28,512	21,616	6,896
Maintenance and repair.....	711,479	696,823	667,302	29,521
Utilities.....	62,262	61,431	61,251	180
Total Communications Center.....	2,205,964	2,697,604	2,585,386	112,218
Building Inspection/Permit Central				
Personal services.....	969,944	969,944	889,905	80,039
Purchased services.....	15,427	15,319	3,739	11,580
Materials and supplies.....	31,839	29,001	24,826	4,175
Maintenance and repair.....	35,044	34,787	18,521	16,266
Utilities.....	18,271	15,383	10,483	4,900
Other expenditures.....	437	1,548	1,548	0
Total Building Inspection/Permit Central.....	1,070,962	1,065,982	949,022	116,960
County Coroner				
Personal services.....	182,110	184,680	154,672	30,008
Purchased services.....	90,755	109,455	109,074	381
Materials and supplies.....	3,611	5,249	5,249	0
Maintenance and repair.....	2,295	2,295	2,294	1
Utilities.....	3,108	3,006	3,006	0
Total County Coroner.....	281,879	304,685	274,295	30,390
Adult Probation				
Personal services.....	600,484	601,794	597,057	4,737
Purchased services.....	13,051	8,421	8,271	150
Materials and supplies.....	19,684	26,652	26,556	96
Maintenance and repair.....	8,415	8,415	6,478	1,937
Utilities.....	15,554	19,319	18,812	507
Total Adult Probation.....	657,188	664,601	657,174	7,427
Juvenile Detention				
Personal services.....	711,035	711,035	690,943	20,092
Purchased services.....	18,416	13,560	10,857	2,703
Materials and supplies.....	63,503	68,683	68,440	243
Maintenance and repair.....	15,067	9,718	6,855	2,863
Utilities.....	5,289	4,633	4,633	0
Total Juvenile Detention.....	813,310	807,629	781,728	25,901
Juvenile Probation				
Personal services.....	349,593	349,593	329,274	20,319
Purchased services.....	3,824	4,554	3,856	698
Materials and supplies.....	7,043	7,285	6,523	762
Maintenance and repair.....	4,049	4,702	4,628	74
Utilities.....	4,884	6,384	6,384	0
Total Juvenile Probation.....	369,393	372,518	350,665	21,853

Continued

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

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Favorable (Unfavorable)
Sheriff				
Personal services.....	5,674,429	5,840,709	5,808,776	31,933
Purchased services.....	289,669	290,981	289,723	1,258
Materials and supplies.....	202,996	246,631	245,900	731
Maintenance and repair.....	175,809	195,448	192,644	2,804
Utilities.....	64,248	65,587	64,749	838
Total Sheriff.....	6,407,151	6,639,356	6,601,792	37,564
Adult Detention				
Personal services.....	5,231,336	5,065,056	5,045,265	19,791
Purchased services.....	790,059	791,469	790,395	1,074
Materials and supplies.....	494,969	515,160	514,591	569
Maintenance and repair.....	26,491	27,659	27,202	457
Utilities.....	24,501	25,001	24,290	711
Total Adult Detention.....	6,567,356	6,424,345	6,401,743	22,602
Municipal Court Adult Probation				
Personal services.....	591,465	580,685	560,798	19,887
Purchased services.....	3,005	5,005	4,319	686
Materials and supplies.....	18,889	16,666	16,660	6
Maintenance and repair.....	4,107	9,107	8,069	1,038
Utilities.....	7,090	13,090	12,994	96
Total Municipal Court Adult Probation.....	624,556	624,553	602,840	21,713
Total public safety.....	18,997,759	19,601,273	19,204,645	396,628
Health				
Tuberculosis Clinic				
Purchased services.....	43,700	43,700	43,700	0
Other Health				
Purchased services.....	528,696	528,696	527,339	1,357
Utilities.....	6,173	6,173	2,173	4,000
Total Other Health.....	534,869	534,869	529,512	5,357
Total health.....	578,569	578,569	573,212	5,357
Human services				
Veterans Service Commission				
Personal services.....	330,500	267,500	265,063	2,437
Purchased services.....	403,500	483,000	436,755	46,245
Materials and supplies.....	17,308	36,500	36,408	92
Maintenance and repair.....	15,000	7,000	3,550	3,450
Utilities.....	9,000	6,000	5,493	507
Capital outlay.....	25,000	0	0	0
Total Veterans Service Commission.....	800,308	800,000	747,269	52,731

Continued

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

General Fund - (Continued)

	Original Budget	Final Budget	Actual	Variance with Final budget Favorable (Unfavorable)
Human Services Grants				
Personal services.....	37,558	37,558	37,558	0
Purchased services.....	0	0	0	0
Total Human Services Grants.....	<u>37,558</u>	<u>37,558</u>	<u>37,558</u>	<u>0</u>
Total human services.....	<u>837,866</u>	<u>837,558</u>	<u>784,827</u>	<u>52,731</u>
Community development				
Community Planning & Development				
Personal services.....	302,960	302,960	235,791	67,169
Purchased services.....	177,564	177,314	140,964	36,350
Materials and supplies.....	8,659	8,538	8,516	22
Maintenance and repair.....	4,686	4,686	3,290	1,396
Utilities.....	4,873	4,273	4,273	0
Other expenditures.....	0	0	0	0
Total Community Planning & Development.....	<u>498,742</u>	<u>497,771</u>	<u>392,834</u>	<u>104,937</u>
Planning Commission				
Purchased services.....	1,500	1,500	500	1,000
Total community development.....	<u>500,242</u>	<u>499,271</u>	<u>393,334</u>	<u>105,937</u>
Total expenditures.....	<u>42,422,428</u>	<u>43,475,183</u>	<u>42,066,442</u>	<u>1,408,741</u>
Excess of revenues over expenditures.....	<u>2,770,240</u>	<u>1,778,988</u>	<u>10,517,087</u>	<u>8,738,099</u>
Other financing sources (uses):				
Operating transfers in.....	0	0	2,500	2,500
Operating transfers (out).....	(7,549,590)	(9,728,037)	(7,163,488)	2,564,549
Advances in.....	25,000	25,000	48,329	23,329
Advances (out).....	0	(130,500)	(130,500)	0
Proceeds of sale of fixed assets.....	0	0	17,196	17,196
Total other financing sources (uses).....	<u>(7,524,590)</u>	<u>(9,833,537)</u>	<u>(7,225,963)</u>	<u>2,607,574</u>
Net Change in Fund Balance	(4,754,350)	(8,054,549)	3,291,124	11,345,673
Fund balance at beginning of year.....	18,840,769	18,840,769	18,840,769	0
Prior year encumbrances appropriated.....	1,545,378	1,545,378	1,545,378	0
Fund balance at end of year.....	<u>\$15,631,797</u>	<u>\$12,331,598</u>	<u>\$23,677,271</u>	<u>\$11,345,673</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
(Non-GAAP Budgetary Basis)
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Social Services - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes.....	\$6,138,459	\$6,138,459	\$5,479,426	(\$659,033)
Charges for services.....	780,700	780,700	679,745	(100,955)
Licenses and permits.....	55,000	55,000	50,625	(4,375)
Intergovernmental.....	18,887,186	19,309,017	20,151,330	842,313
Investment earnings.....	0	0	1,048	1,048
Other revenues.....	601,100	601,100	475,591	(125,509)
Total revenues.....	<u>26,462,445</u>	<u>26,884,276</u>	<u>26,837,765</u>	<u>(46,511)</u>
Expenditures:				
Current:				
Human services:				
Personal services.....	10,407,017	10,595,486	9,488,010	1,107,476
Purchased services.....	16,109,073	17,691,071	17,344,307	346,764
Materials and supplies.....	238,641	343,840	315,069	28,771
Maintenance and repair.....	79,425	72,587	51,625	20,962
Utilities.....	172,327	169,288	154,422	14,866
Capital outlay.....	351,207	54,207	46,252	7,955
Total expenditures.....	<u>27,357,690</u>	<u>28,926,479</u>	<u>27,399,685</u>	<u>1,526,794</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(895,245)</u>	<u>(2,042,203)</u>	<u>(561,920)</u>	<u>1,480,283</u>
Other financing sources(uses):				
Operating transfers in.....	5,723,300	5,573,300	5,864,409	291,109
Operating transfers (out).....	(4,655,300)	(5,650,469)	(5,593,939)	56,530
Proceeds from sale of fixed assets.....	2,000	2,000	3,999	1,999
Total other financing sources (uses).....	<u>1,070,000</u>	<u>(75,169)</u>	<u>274,469</u>	<u>349,638</u>
Net change in fund balance.....	174,755	(2,117,372)	(287,451)	1,829,921
Fund balance at beginning of year.....	3,058,113	3,058,113	3,058,113	0
Prior year encumbrances appropriated.....	760,985	760,985	760,985	0
Fund balance at end of year.....	<u>\$3,993,853</u>	<u>\$1,701,726</u>	<u>\$3,531,647</u>	<u>\$1,829,921</u>

Clermont County, Ohio
Schedule of Revenues
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Motor Vehicle and Gas Tax - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes.....	\$2,121,400	\$1,921,400	\$1,960,800	\$39,400
Charges for services.....	248,500	248,500	251,101	2,601
Licenses and permits.....	48,000	48,000	46,348	(1,652)
Fines and forfeitures.....	185,000	185,000	173,839	(11,161)
Intergovernmental	8,748,770	7,548,770	7,145,793	(402,977)
Special Assessments.....	18,000	18,000	18,903	903
Investment earnings.....	155,000	155,000	80,233	(74,767)
Other revenues.....	91,250	91,250	131,831	40,581
Total revenues.....	<u>11,615,920</u>	<u>10,215,920</u>	<u>9,808,848</u>	<u>(407,072)</u>
Expenditures:				
Current:				
Public works:				
Personal services.....	3,496,755	3,481,905	3,240,248	241,657
Purchased services.....	771,378	782,516	708,587	73,929
Materials and supplies.....	1,477,553	1,387,810	1,254,383	133,427
Maintenance and repair.....	1,111,908	712,499	629,218	83,281
Utilities.....	107,666	121,753	112,496	9,257
Capital outlay.....	4,389,981	4,201,553	3,426,722	774,831
Other expenditures.....	100,371	100,371	100,371	0
Total expenditures.....	<u>11,455,612</u>	<u>10,788,407</u>	<u>9,472,025</u>	<u>1,316,382</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>160,308</u>	<u>(572,487)</u>	<u>336,823</u>	<u>909,310</u>
Other financing sources(uses):				
Operating transfer in.....	3,500	3,500	399	(3,101)
Operating transfers (out).....	(1,118,129)	(1,188,656)	(1,188,425)	231
Proceeds from the sale of fixed assets.....	5,000	5,000	12,823	7,823
Total other financing sources (uses).....	<u>(1,109,629)</u>	<u>(1,180,156)</u>	<u>(1,175,203)</u>	<u>4,953</u>
Net change in fund balance.....	(949,321)	(1,752,643)	(838,380)	914,263
Fund balance at beginning of year.....	1,048,820	1,048,820	1,048,820	0
Prior year encumbrances appropriated.....	947,321	947,321	947,321	0
Fund balance at end of year.....	<u>\$1,046,820</u>	<u>\$243,498</u>	<u>\$1,157,761</u>	<u>\$914,263</u>

Clermont County, Ohio
Schedule of Revenues
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Judicial Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental revenues.....	\$0	\$0	\$50,000	\$50,000
Investment earnings.....	0	0	189,408	189,408
Total revenues.....	<u>0</u>	<u>0</u>	<u>239,408</u>	<u>239,408</u>
Expenditures:				
Purchased services.....	5,000	25,000	16,055	8,945
Materials and supplies.....	35,000	35,000	0	35,000
Capital outlay.....	9,838,678	9,834,279	1,366,835	8,467,444
Total expenditures.....	<u>9,878,678</u>	<u>9,894,279</u>	<u>1,382,890</u>	<u>8,511,389</u>
Deficiency of revenues under expenditures.....	<u>(9,878,678)</u>	<u>(9,894,279)</u>	<u>(1,143,482)</u>	<u>8,750,797</u>
Other financing sources:				
Operating transfers in.....	301,600	301,600	301,600	0
Total other financing sources.....	<u>301,600</u>	<u>301,600</u>	<u>301,600</u>	<u>0</u>
Net change in fund balance.....	(9,577,078)	(9,592,679)	(841,882)	8,750,797
Fund balance at beginning of year.....	10,058,860	10,058,860	10,058,860	0
Prior year encumbrances appropriated.....	758,678	758,678	758,678	0
Fund balance at end of year.....	<u>\$1,240,460</u>	<u>\$1,224,859</u>	<u>\$9,975,656</u>	<u>\$8,750,797</u>

Clermont County, Ohio
Schedule of Revenues
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County Capital Improvement - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes.....	\$3,145,072	\$3,145,072	\$2,884,766	(\$260,306)
Charges for services.....	8,000	8,000	1,765	(6,235)
Intergovernmental revenues.....	315,000	315,000	680,721	365,721
Other revenues.....	50,000	50,000	300,623	250,623
Total revenues.....	<u>3,518,072</u>	<u>3,518,072</u>	<u>3,867,875</u>	<u>349,803</u>
Expenditures:				
Purchased Services.....	63,500	202,500	202,195	305
Materials and Supplies.....	30,000	105,000	19,335	85,665
Capital outlay.....	917,418	1,230,414	1,078,775	151,639
Total expenditures.....	<u>1,010,918</u>	<u>1,537,914</u>	<u>1,300,305</u>	<u>237,609</u>
Excess of revenues over expenditures.....	<u>2,507,154</u>	<u>1,980,158</u>	<u>2,567,570</u>	<u>587,412</u>
Other financing sources (uses):				
Operating transfers (out).....	(5,748,609)	(5,273,609)	(4,442,091)	831,518
Operating transfers in.....	366,400	366,400	451,900	85,500
Total other financing sources (uses).....	<u>(5,382,209)</u>	<u>(4,907,209)</u>	<u>(3,990,191)</u>	<u>917,018</u>
Net change in fund balance.....	(2,875,055)	(2,927,051)	(1,422,621)	1,504,430
Fund balance at beginning of year.....	4,429,091	4,429,091	4,429,091	0
Prior year encumbrances appropriated.....	105,918	105,918	105,918	0
Fund balance at end of year.....	<u>\$1,659,954</u>	<u>\$1,607,958</u>	<u>\$3,112,388</u>	<u>\$1,504,430</u>

Clermont County, Ohio
Schedule of Revenues
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Health and Solid Waste District - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services.....	\$242,000	\$242,000	\$310,596	\$68,596
Licenses and permits.....	180,692	180,692	187,639	6,947
Fines and forfeitures.....	39,215	39,215	32,154	(7,061)
Intergovernmental.....	85,000	95,000	157,852	62,852
Other revenues.....	0	0	223	223
Total revenues.....	<u>546,907</u>	<u>556,907</u>	<u>688,464</u>	<u>131,557</u>
Expenditures:				
Current:				
Health:				
Personal services.....	62,690	75,090	68,333	6,757
Purchased services.....	440,953	436,503	374,624	61,879
Materials and supplies.....	19,574	72,711	56,070	16,641
Maintenance and repair.....	2,286	11,565	2,130	9,435
Utilities.....	32,596	32,549	5,611	26,938
Capital outlay.....	106,703	106,703	75,498	31,205
Total expenditures.....	<u>664,802</u>	<u>735,121</u>	<u>582,266</u>	<u>152,855</u>
Net change in fund balance	(117,895)	(178,214)	106,198	284,412
Fund balance at beginning of year.....	720,340	720,340	720,340	0
Prior year encumbrances appropriated.....	37,661	37,661	37,661	0
Fund balance at end of year.....	<u>\$640,106</u>	<u>\$579,787</u>	<u>\$864,199</u>	<u>\$284,412</u>

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

Real Estate Assessment - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Taxes.....	\$200,000	\$335,000	\$333,124	(\$1,876)
Charges for services.....	1,590,357	1,590,357	1,790,449	200,092
Investment earnings.....	3,000	3,000	5,358	2,358
Total revenues.....	<u>1,793,357</u>	<u>1,928,357</u>	<u>2,128,931</u>	<u>200,574</u>
Expenditures:				
Current:				
General government:				
Legislative and executive				
Personal services.....	1,188,426	1,272,487	1,094,029	178,458
Purchased services.....	1,506,055	1,495,333	1,297,329	198,004
Materials and supplies.....	76,478	132,634	119,327	13,307
Maintenance and repair.....	87,341	88,736	78,940	9,796
Utilities.....	16,211	15,762	14,541	1,221
Capital outlay.....	78,216	78,068	55,850	22,218
Total expenditures.....	<u>2,952,727</u>	<u>3,083,020</u>	<u>2,660,016</u>	<u>423,004</u>
Net change in fund balance.....	(1,159,370)	(1,154,663)	(531,085)	623,578
Fund balance at beginning of year.....	1,708,426	1,708,426	1,708,426	0
Prior year encumbrances appropriated.....	167,736	167,736	167,736	0
Fund balance at end of year.....	<u>\$716,792</u>	<u>\$721,499</u>	<u>\$1,345,077</u>	<u>\$623,578</u>

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

Other Legislative - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services.....	\$939,700	\$939,700	\$1,058,407	\$118,707
Total revenues.....	<u>939,700</u>	<u>939,700</u>	<u>1,058,407</u>	<u>118,707</u>
Expenditures:				
Current:				
General Government:				
Legislative and Executive:				
Personal services.....	697,206	653,882	632,632	21,250
Purchased services.....	457,494	495,480	460,400	35,080
Materials and supplies.....	51,543	67,768	41,211	26,557
Maintenance and repair.....	16,064	9,341	2,537	6,804
Utilities.....	26,086	27,133	25,664	1,469
Capital outlay.....	52,348	19,290	0	19,290
Total expenditures.....	<u>1,300,741</u>	<u>1,272,894</u>	<u>1,162,444</u>	<u>110,450</u>
Deficiency of revenues				
Under expenditures.....	<u>(361,041)</u>	<u>(333,194)</u>	<u>(104,037)</u>	<u>229,157</u>
Other financing sources:				
Operating transfers in.....	100,000	100,000	100,000	0
Total other financing sources.....	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>0</u>
Net change in fund balance.....	(261,041)	(233,194)	(4,037)	229,157
Fund balance at beginning of year.....	237,899	237,899	237,899	0
Prior year encumbrances appropriated.....	78,943	78,943	78,943	0
Fund balance at end of year.....	<u>\$55,801</u>	<u>\$83,648</u>	<u>\$312,805</u>	<u>\$229,157</u>

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

Public Safety - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services.....	\$142,214	\$142,214	\$151,828	\$9,614
Fines and forfeitures.....	76,948	76,948	219,530	142,582
Intergovernmental	1,973,648	2,233,570	2,479,404	245,834
Investment earnings.....	90,281	90,281	92,355	2,074
Other revenues.....	15,000	15,000	22,093	7,093
Total revenues.....	<u>2,298,091</u>	<u>2,558,013</u>	<u>2,965,210</u>	<u>407,197</u>
Expenditures:				
Current:				
Public Safety:				
Personal services.....	1,686,902	1,764,062	1,610,776	153,286
Purchased services.....	927,836	1,142,167	948,742	193,425
Materials and supplies.....	110,497	297,333	209,654	87,679
Maintenance and repair.....	40,532	51,482	32,758	18,724
Utilities.....	42,425	58,310	42,530	15,780
Capital outlay.....	52,057	80,002	53,764	26,238
Other expenditures.....	0	27,000	26,898	102
Total expenditures.....	<u>2,860,249</u>	<u>3,420,356</u>	<u>2,925,122</u>	<u>495,234</u>
Deficiency of revenues under expenditures.....	<u>(562,158)</u>	<u>(862,343)</u>	<u>40,088</u>	<u>902,431</u>
Other financing sources(uses):				
Operating transfers in.....	271,096	368,638	332,780	(35,858)
Operating transfers (out).....	0	(12,922)	(2,500)	10,422
Advances (out).....	(5,000)	(10,000)	(10,000)	0
Advances in.....	0	5,500	5,500	0
Total other financing sources (uses).....	<u>266,096</u>	<u>351,216</u>	<u>325,780</u>	<u>(25,436)</u>
Net change in fund balance.....	(296,062)	(511,127)	365,868	876,995
Fund balance at beginning of year.....	1,720,397	1,720,397	1,720,397	0
Prior year encumbrances appropriated.....	68,445	68,445	68,445	0
Fund balance at end of year.....	<u>\$1,492,780</u>	<u>\$1,277,715</u>	<u>\$2,154,710</u>	<u>\$876,995</u>

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

Community Transportation - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services.....	\$732,872	\$732,872	\$686,121	(\$46,751)
Intergovernmental.....	1,101,602	930,556	693,073	(237,483)
Other revenues.....	15,000	15,000	16,694	1,694
Total revenues.....	<u>1,849,474</u>	<u>1,678,428</u>	<u>1,395,888</u>	<u>(282,540)</u>
Expenditures:				
Current:				
Transportation:				
Personal services.....	964,374	962,702	866,182	96,520
Purchased services.....	341,860	434,224	431,625	2,599
Materials and supplies.....	96,327	127,360	114,388	12,972
Maintenance and repair.....	106,785	99,585	96,233	3,352
Utilities.....	18,523	14,219	12,319	1,900
Capital outlay.....	524,538	373,756	365,006	8,750
Other expenditures.....	0	1,672	1,672	0
Total expenditures.....	<u>2,052,407</u>	<u>2,013,518</u>	<u>1,887,425</u>	<u>126,093</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(202,933)</u>	<u>(335,090)</u>	<u>(491,537)</u>	<u>(156,447)</u>
Other financing sources:				
Operating transfers in.....	168,400	168,400	213,580	45,180
Advances in.....	0	0	50,000	50,000
Proceeds from sale of assets.....	0	0	188,981	188,981
Total other financing sources.....	<u>168,400</u>	<u>168,400</u>	<u>452,561</u>	<u>284,161</u>
Net change in fund balance.....	(34,533)	(166,690)	(38,976)	127,714
Fund balance (deficit) at beginning of year.....	(199,332)	(199,332)	(199,332)	0
Prior year encumbrances appropriated.....	265,374	265,374	265,374	0
Fund balance (deficit) at end of year.....	<u>\$31,509</u>	<u>(\$100,648)</u>	<u>\$27,066</u>	<u>\$127,714</u>

Clermont County, Ohio
Schedule of Revenues
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Fund Balance - Budget and Actual
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Judicial Programs - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services.....	\$72,500	\$72,500	\$56,847	(\$15,653)
Intergovernmental	116,835	79,252	86,949	7,697
Other revenues.....	2,000	2,000	3,700	1,700
Total revenues.....	<u>191,335</u>	<u>153,752</u>	<u>147,496</u>	<u>(6,256)</u>
Expenditures:				
Current:				
General government:				
Judicial:				
Personal services.....	233,709	233,709	196,831	36,878
Purchased services.....	21,022	20,886	12,262	8,624
Materials and supplies.....	16,386	18,116	11,243	6,873
Maintenance and repair.....	2,213	2,213	511	1,702
Utilities.....	4,939	4,939	4,938	1
Total expenditures.....	<u>278,269</u>	<u>279,863</u>	<u>225,785</u>	<u>54,078</u>
Deficiency of revenues under expenditures.....	<u>(86,934)</u>	<u>(126,111)</u>	<u>(78,289)</u>	<u>47,822</u>
Other financing sources:				
Operating transfers in.....	78,300	78,300	78,300	0
Total other financing sources.....	<u>78,300</u>	<u>78,300</u>	<u>78,300</u>	<u>0</u>
Net change in fund balance.....	(8,634)	(47,811)	11	47,822
Fund balance at beginning of year.....	28,130	28,130	28,130	0
Prior year encumbrances appropriated.....	4,960	4,960	4,960	0
Fund balance at end of year.....	<u>\$24,456</u>	<u>(\$14,721)</u>	<u>\$33,101</u>	<u>\$47,822</u>

Clermont County, Ohio
Schedule of Revenues
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Fund Balance - Budget and Actual
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For the Year Ended December 31, 2002

Community Development - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	\$1,599,627	\$2,328,307	\$1,648,109	(\$680,198)
Investment earnings.....	400	400	365	(35)
Other revenues.....	0	272,377	293,718	21,341
Total revenues.....	<u>1,600,027</u>	<u>2,601,084</u>	<u>1,942,192</u>	<u>(658,892)</u>
Expenditures:				
Current:				
Community development:				
Purchased services.....	1,386,268	580,701	470,139	110,562
Materials and supplies.....	112,000	114,500	5,211	109,289
Capital outlay.....	177,484	1,637,742	1,498,220	139,522
Other expenditures.....	0	1,549	1,549	0
Total expenditures.....	<u>1,675,752</u>	<u>2,334,492</u>	<u>1,975,119</u>	<u>359,373</u>
Deficiency of revenues under expenditures.....	<u>(75,725)</u>	<u>266,592</u>	<u>(32,927)</u>	<u>(299,519)</u>
Other financing source(uses):				
Operating transfers in.....	0	40,000	40,000	0
Advances in.....	25,000	25,000	75,000	50,000
Advances (out).....	0	(168,514)	(38,329)	130,185
Total other financing sources(uses).....	<u>25,000</u>	<u>(103,514)</u>	<u>76,671</u>	<u>180,185</u>
Net change in fund balance.....	(50,725)	163,078	43,744	(119,334)
Fund balance at beginning of year.....	185,051	185,051	185,051	0
Prior year encumbrances appropriated.....	159,442	159,442	159,442	0
Fund balance(deficit) at end of year.....	<u>\$293,768</u>	<u>\$507,571</u>	<u>\$388,237</u>	<u>(\$119,334)</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
Fund Balance - Budget and Actual
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Computer Legal Research - Special Revenue Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Charges for services.....	\$342,000	\$342,000	\$353,935	\$11,935
Total revenues.....	<u>342,000</u>	<u>342,000</u>	<u>353,935</u>	<u>11,935</u>
Expenditures:				
Current:				
General government:				
Judicial:				
Purchased services.....	21,000	15,400	7,830	7,570
Materials and supplies.....	23,549	43,923	40,033	3,890
Maintenance and repair.....	122,792	113,476	60,304	53,172
Utilities	7,000	7,450	450	7,000
Capital outlay	171,100	178,757	25,302	153,455
Total expenditures.....	<u>345,441</u>	<u>359,006</u>	<u>133,919</u>	<u>225,087</u>
Net change in fund balance.....	(3,441)	(17,006)	220,016	237,022
Fund balance at beginning of year.....	586,061	586,061	586,061	0
Prior year encumbrances appropriated.....	3,481	3,481	3,481	0
Fund balance at end of year.....	<u>\$586,101</u>	<u>\$572,536</u>	<u>\$809,558</u>	<u>\$237,022</u>

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

County Debt Service Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues.....	\$0	\$0	\$0	\$0
Expenditures:				
Debt service:				
Principal retirement.....	5,720,871	3,263,938	3,263,938	0
Interest and fiscal charges.....	0	2,092,507	2,057,999	34,508
Total expenditures.....	5,720,871	5,356,445	5,321,937	34,508
Excess (deficiency) of revenues over (under) expenditures.....	(5,720,871)	(5,356,445)	(5,321,937)	34,508
Other financing sources:				
Operating transfers in.....	5,722,021	5,357,497	5,320,246	(37,251)
Total other financing sources.....	5,722,021	5,357,497	5,320,246	(37,251)
Net change in fund balance.....	1,150	1,052	(1,691)	(2,743)
Fund balance at beginning of year.....	24,573	24,573	24,573	0
Fund balance at end of year.....	<u>\$25,723</u>	<u>\$25,625</u>	<u>\$22,882</u>	<u>(\$2,743)</u>

Clermont County, Ohio
Schedule of Revenues
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Fund Balance - Budget and Actual
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Special Assessment - Debt Service Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Special Assessments.....	\$580,822	\$584,982	\$540,236	(\$44,746)
Investment Earnings.....	0	0	1,340	1,340
Other revenues.....	3,500	3,500	7,013	3,513
Total revenues.....	<u>584,322</u>	<u>588,482</u>	<u>548,589</u>	<u>(39,893)</u>
Expenditures:				
Debt service:				
Principal retirement.....	400,000	400,000	400,000	0
Interest and fiscal charges.....	184,322	216,592	207,984	8,608
Total expenditures.....	<u>584,322</u>	<u>616,592</u>	<u>607,984</u>	<u>8,608</u>
Net change in fund balance.....	0	(28,110)	(59,395)	(31,285)
Fund balance at beginning of year.....	262,879	262,879	262,879	0
Fund balance at end of year.....	<u>\$262,879</u>	<u>\$234,769</u>	<u>\$203,484</u>	<u>(\$31,285)</u>

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

Public Safety Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental revenues.....	\$7,268,000	\$768,000	\$737,299	(\$30,701)
Investment earnings.....	109,877	109,877	188,130	78,253
Total revenues.....	<u>7,377,877</u>	<u>877,877</u>	<u>925,429</u>	<u>47,552</u>
Expenditures:				
Purchased services.....	5,000	5,000	0	5,000
Materials and supplies.....	20,000	30,000	18,345	11,655
Capital outlay.....	14,965,876	8,452,826	2,073,203	6,379,623
Total expenditures.....	<u>14,990,876</u>	<u>8,487,826</u>	<u>2,091,548</u>	<u>6,396,278</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(7,612,999)</u>	<u>(7,609,949)</u>	<u>(1,166,119)</u>	<u>6,443,830</u>
Other financing sources:				
Operating transfers in.....	313,400	313,401	313,400	(1)
Total other financing sources.....	<u>313,400</u>	<u>313,401</u>	<u>313,400</u>	<u>(1)</u>
Net change in fund balance.....	(7,299,599)	(7,296,548)	(852,719)	6,443,829
Fund balance at beginning of year.....	7,093,452	7,093,452	7,093,452	0
Prior year encumbrances appropriated.....	1,475,876	1,475,876	1,475,876	0
Fund balance at end of year.....	<u>\$1,269,729</u>	<u>\$1,272,780</u>	<u>\$7,716,609</u>	<u>\$6,443,829</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
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Social Services Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Investment earnings.....	\$8,034	\$8,034	\$17,500	\$9,466
Total revenues.....	<u>8,034</u>	<u>8,034</u>	<u>17,500</u>	<u>9,466</u>
Expenditures:				
Materials and supplies.....	10,000	10,000	0	10,000
Capital outlay.....	375,488	375,488	156,748	218,740
Total expenditures.....	<u>385,488</u>	<u>385,488</u>	<u>156,748</u>	<u>228,740</u>
Deficiency of revenues under expenditures.....	<u>(377,454)</u>	<u>(377,454)</u>	<u>(139,248)</u>	<u>238,206</u>
Other financing sources:				
Operating transfers in.....	195,200	195,200	195,200	0
Total other financing sources.....	<u>195,200</u>	<u>195,200</u>	<u>195,200</u>	<u>0</u>
Net change in fund balance.....	(182,254)	(182,254)	55,952	238,206
Fund balance at beginning of year.....	406,326	406,326	406,326	0
Prior year encumbrances appropriated.....	135,488	135,488	135,488	0
Fund balance at end of year.....	<u>\$359,560</u>	<u>\$359,560</u>	<u>\$597,766</u>	<u>\$238,206</u>

Clermont County, Ohio
Schedule of Revenues
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Communications Center Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Other revenue.....	\$0	\$0	\$52,582	\$52,582
Total revenues.....	<u>0</u>	<u>0</u>	<u>52,582</u>	<u>52,582</u>
Expenditures:				
Purchased services.....	20,000	20,000	0	20,000
Materials and supplies.....	80,000	420,000	60,870	359,130
Capital outlay.....	1,449,069	1,446,069	1,400,374	45,695
Total expenditures.....	<u>1,549,069</u>	<u>1,886,069</u>	<u>1,461,244</u>	<u>424,825</u>
Deficiency of revenues under expenditures.....	<u>(1,549,069)</u>	<u>(1,886,069)</u>	<u>(1,408,662)</u>	<u>477,407</u>
Operating transfers in.....	<u>1,002,600</u>	<u>1,270,600</u>	<u>1,244,070</u>	<u>(26,530)</u>
Total other financing sources.....	<u>1,002,600</u>	<u>1,270,600</u>	<u>1,244,070</u>	<u>(26,530)</u>
Net change in fund balance.....	(546,469)	(615,469)	(164,592)	450,877
Fund balance at beginning of year.....	970,142	970,142	970,142	0
Prior year encumbrances appropriated.....	189,069	189,069	189,069	0
Fund balance at end of year.....	<u>\$612,742</u>	<u>\$543,742</u>	<u>\$994,619</u>	<u>\$450,877</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
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Community Development Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental Revenue.....	\$3,894,500	\$4,004,790	\$3,788,271	(\$216,519)
All other revenue.....	0	0	249	249
Total revenues.....	<u>3,894,500</u>	<u>4,004,790</u>	<u>3,788,520</u>	<u>(216,270)</u>
Expenditures:				
Purchased services.....	10,000	10,000	1,665	8,335
Capital Outlay.....	8,169,001	8,172,502	7,006,855	1,165,647
Total expenditures.....	<u>8,179,001</u>	<u>8,182,502</u>	<u>7,008,520</u>	<u>1,173,982</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(4,284,501)</u>	<u>(4,177,712)</u>	<u>(3,220,000)</u>	<u>957,712</u>
Other financing sources:				
Operating transfers in.....	4,302,000	4,314,655	1,373,758	(2,940,897)
Advances in.....	0	0	1,700,000	1,700,000
Total other financing sources.....	<u>4,302,000</u>	<u>4,314,655</u>	<u>3,073,758</u>	<u>(1,240,897)</u>
Net change in fund balance.....	17,499	136,943	(146,242)	(283,185)
Deficit fund balance at beginning of year.....	(498,684)	(498,684)	(498,684)	0
Prior year encumbrances appropriated.....	1,126,768	1,126,768	1,126,768	0
Fund balance (deficit) at end of year.....	<u>\$645,583</u>	<u>\$765,027</u>	<u>\$481,842</u>	<u>(\$283,185)</u>

Clermont County, Ohio
Schedule of Revenues
Expenditures and Changes in
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Road Assessment Projects - Capital Projects Fund

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
Revenues:				
Investment earnings.....	\$55,000	\$55,000	\$43,257	(\$11,743)
Total revenues.....	<u>55,000</u>	<u>55,000</u>	<u>43,257</u>	<u>(11,743)</u>
Expenditures:				
Capital outlay.....	2,801,014	2,801,014	2,499,588	301,426
Principal Retirement.....	3,300,000	3,300,000	3,300,000	0
Interest and Fiscal Charges.....	80,850	80,850	80,625	225
Total expenditures.....	<u>6,181,864</u>	<u>6,181,864</u>	<u>5,880,213</u>	<u>301,651</u>
Deficiency of revenues under expenditures.....	<u>(6,126,864)</u>	<u>(6,126,864)</u>	<u>(5,836,956)</u>	<u>289,908</u>
Other financing sources (uses):				
Operating transfers out.....	0	(320,000)	(320,000)	0
Proceeds of notes.....	3,300,000	3,300,000	3,300,000	0
Proceeds from the sale of bonds.....	0	320,000	320,000	0
Total other financing sources (uses).....	<u>3,300,000</u>	<u>3,300,000</u>	<u>3,300,000</u>	<u>0</u>
Net change in fund balance.....	(2,826,864)	(2,826,864)	(2,536,956)	289,908
Fund balance at beginning of year.....	2,862,577	2,862,577	2,862,577	0
Prior year encumbrances appropriated.....	1,014	1,014	1,014	0
Fund balance at end of year.....	<u>\$36,727</u>	<u>\$36,727</u>	<u>\$326,635</u>	<u>\$289,908</u>

Clermont County
Combining Statements - Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Health Insurance Fund - This fund is used to account for claims and administration of the health insurance program for covered County employees and eligible dependents, and the accumulation and allocation of costs associated with health insurance.

Fleet Maintenance Fund - This fund is used to account for the vehicle maintenance services provided to various County departments and other governmental units. Users are billed for costs incurred.

Telephone Company Fund - This fund is used to account for telephone services to various County departments and other governmental units. Users are billed for costs incurred.

Workers' Compensation Fund - This fund is used to account for the administration of a Worker's Compensation program to reduce employee risk, decrease the County's worker's compensation liability and to measure and recover the cost of providing the program to County departments and other governmental units.

Clermont County, Ohio
Combining Statement of Net Assets
Internal Service Funds
December 31, 2002

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
Assets					
<i>Current Assets:</i>					
Equity in Pooled Cash and Cash Equivalents	\$379,410	\$98,379	\$183,697	\$1,663,904	\$2,325,390
Prepaid Items	0	0	9,245	0	9,245
<i>Total Current Assets</i>	<u>379,410</u>	<u>98,379</u>	<u>192,942</u>	<u>1,663,904</u>	<u>2,334,635</u>
<i>Noncurrent Assets:</i>					
Capital assets, net	0	52,303	42,407	0	94,710
<i>Total Noncurrent Assets</i>	<u>0</u>	<u>52,303</u>	<u>42,407</u>	<u>0</u>	<u>94,710</u>
<i>Total Assets</i>	<u>379,410</u>	<u>150,682</u>	<u>235,349</u>	<u>1,663,904</u>	<u>2,429,345</u>
Liabilities					
<i>Current Liabilities:</i>					
Accounts Payable	2,546	74,205	26,115	18,233	121,099
Accrued Wages and Benefits	1,057	5,579	2,514	0	9,150
Intergovernmental Payable	1,248	6,907	2,657	0	10,812
Claims Payable	481,175	0	0	0	481,175
<i>Total Current Liabilities</i>	<u>486,026</u>	<u>86,691</u>	<u>31,286</u>	<u>18,233</u>	<u>622,236</u>
<i>Noncurrent Liabilities:</i>					
Compensated Absences Due Within One Year	0	9,359	0	0	9,359
Compensated Absences Due Within More Than One Year	0	4,299	0	0	4,299
<i>Total Noncurrent Liabilities</i>	<u>0</u>	<u>13,658</u>	<u>0</u>	<u>0</u>	<u>13,658</u>
<i>Total Liabilities</i>	<u>486,026</u>	<u>100,349</u>	<u>31,286</u>	<u>18,233</u>	<u>635,894</u>
Net Assets					
Invested in Capital Assets	0	52,303	42,407	0	94,710
Unrestricted	(106,616)	(1,970)	161,656	1,645,671	1,698,741
<i>Total Net Assets (Deficit)</i>	<u>(\$106,616)</u>	<u>\$50,333</u>	<u>\$204,063</u>	<u>\$1,645,671</u>	<u>\$1,793,451</u>

Clermont County, Ohio

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
 Internal Service Funds
 For the Year Ended December 31, 2002

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
Operating Revenues					
Charges for Sales and Services	6,724,207	1,089,792	936,528	196,633	8,947,160
All Other Revenues	17,198	18,573	6	177,801	213,578
<i>Total Operating Revenues</i>	<u>6,741,405</u>	<u>1,108,365</u>	<u>936,534</u>	<u>374,434</u>	<u>9,160,738</u>
Operating Expenses					
Personal Services	93,721	252,677	101,654	0	448,052
Materials and Supplies	7,904	647,442	17,172	211,389	883,907
Contractual Services	27,833	22,744	3,806	259,892	314,275
Maintenance and Repair	0	156,125	84,022	0	240,147
Utilities	1,037	8,624	630,152	0	639,813
Claims	6,989,131	0	0	0	6,989,131
Depreciation	0	6,026	8,830	0	14,856
Other	0	23,617	0	0	23,617
<i>Total Operating Expenses</i>	<u>7,119,626</u>	<u>1,117,255</u>	<u>845,636</u>	<u>471,281</u>	<u>9,553,798</u>
<i>Operating Income (Loss)</i>	<u>(378,221)</u>	<u>(8,890)</u>	<u>90,898</u>	<u>(96,847)</u>	<u>(393,060)</u>
<i>Income (Loss) before Contributions & Transfers</i>	(378,221)	(8,890)	90,898	(96,847)	(393,060)
Capital Contributions	0	12,706	0	0	12,706
Transfers Out	0	0	(150,000)	0	(150,000)
<i>Change in Net Assets</i>	(378,221)	3,816	(59,102)	(96,847)	(530,354)
<i>Net Assets Beginning of Year</i>	<u>271,605</u>	<u>46,517</u>	<u>263,165</u>	<u>1,742,518</u>	<u>2,323,805</u>
<i>Net Assets (Deficit) End of Year</i>	<u>(\$106,616)</u>	<u>\$50,333</u>	<u>\$204,063</u>	<u>\$1,645,671</u>	<u>\$1,793,451</u>

Clermont County, Ohio
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2002

	Health Insurance	Fleet Maintenance	Telephone Company	Workers' Compensation	Total
Cash Flows From Operating Activities:					
Receipts from customers and users	\$0	\$1,089,792	\$936,528	\$0	\$2,026,320
Cash received from Interfund Services provided	6,724,207	0	0	196,633	6,920,840
Payments to Suppliers	(161,017)	(943,138)	(776,814)	(193,556)	(2,074,525)
Payments to Employees	(94,715)	(246,560)	(100,345)	0	(441,620)
Claims	(7,145,856)	0	0	0	(7,145,856)
Payments for Interfund Services provided	0	0	0	(259,992)	(259,992)
Other Receipts	17,198	18,573	6	177,801	213,578
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(660,183)</u>	<u>(81,333)</u>	<u>59,375</u>	<u>(79,114)</u>	<u>(761,255)</u>
Cash Flows From Noncapital and Related Financing Activities:					
Transfers to Other Funds	0	0	(150,000)	0	(150,000)
<i>Net Cash (Used for) Noncapital Financing Activities</i>	<u>0</u>	<u>0</u>	<u>(150,000)</u>	<u>0</u>	<u>(150,000)</u>
Cash Flows Provided by Capital and Related Financing Activities:					
Acquisition of Capital Assets	0	0	(10,086)	0	(10,086)
<i>Net Cash (Used for) Capital and Related Financing Activities</i>	<u>0</u>	<u>0</u>	<u>(10,086)</u>	<u>0</u>	<u>(10,086)</u>
<i>Net (Decrease) in Cash and Cash Equivalents</i>	(660,183)	(81,333)	(100,711)	(79,114)	(921,341)
<i>Cash and Cash Equivalents-January 1</i>	1,039,593	179,712	284,408	1,743,018	3,246,731
<i>Cash and Cash Equivalents December 31</i>	<u>\$379,410</u>	<u>\$98,379</u>	<u>\$183,697</u>	<u>\$1,663,904</u>	<u>\$2,325,390</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	(\$378,221)	(\$8,890)	\$90,898	(\$96,847)	(\$393,060)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation and Amortization	0	6,026	8,830	0	14,856
Non-Operating Revenues and Expenses					
Change in Assets and Liabilities:					
Increase in Prepaid Items	0	0	(9,245)	0	(9,245)
Increase (Decrease) in Accounts Payable	(124,243)	(84,586)	(32,417)	17,733	(223,513)
Increase (Decrease) in Accrued Wages	(695)	(44)	1,076	0	337
(Decrease) in Claims Payable	(156,725)	0	0	0	(156,725)
Increase (Decrease) in Intergovernmental Payable	(299)	2,011	233	0	1,945
Increase in Compensated Absences Payable	0	4,150	0	0	4,150
Total Adjustments	<u>(281,962)</u>	<u>(72,443)</u>	<u>(31,523)</u>	<u>17,733</u>	<u>(368,195)</u>
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$660,183)</u></u>	<u><u>(\$81,333)</u></u>	<u><u>\$59,375</u></u>	<u><u>(\$79,114)</u></u>	<u><u>(\$761,255)</u></u>
Non-Cash Transactions:					
Contributions from other funds	<u>\$0</u>	<u>\$12,706</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,706</u>

**Clermont County
Combining Statement - Fiduciary Funds**

Agency Funds

Agency Funds are custodial in nature (assets equal liabilities) and thus do not represent the measurement or results of operations

Undivided Tax Fund - This fund is used to account for the collection of various County taxes and the disbursement of those taxes to County funds and subdivisions.

Political Subdivisions - This fund is used to account for funds held for other political subdivisions for which the County acts as fiscal agent.

Other Agency Funds - This fund is used to account for miscellaneous monies collected and disbursed to other County funds, and held on behalf of individuals and corporations.

Clermont County Court System - This fund is used to account for monies held by the County Courts in outside accounts.

General County Agency - This fund is used to account for monies held by County departments other than the Courts in outside checking accounts.

CLERMONT COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

UNDIVIDED TAX FUND

	Beginning Balance 1/1/02	Additions	Deductions	Ending Balance 12/31/02
ASSETS:				
Equity in pooled cash and cash equivalents.....	\$5,673,159	\$2,095,354	\$1,091,791	\$6,676,722
Taxes receivable.....	142,938,947	336,943,840	324,389,872	\$155,492,915
Total assets.....	<u>\$148,612,106</u>	<u>\$339,039,194</u>	<u>\$325,481,663</u>	<u>\$162,169,637</u>
LIABILITIES:				
Intergovernmental payable.....	\$148,612,106	\$339,039,194	\$325,481,663	\$162,169,637
Total liabilities.....	<u>\$148,612,106</u>	<u>\$339,039,194</u>	<u>\$325,481,663</u>	<u>\$162,169,637</u>

POLITICAL SUBDIVISIONS

ASSETS:				
Equity in pooled cash and cash equivalents.....	\$777,126	\$11,433,098	\$11,562,378	\$647,846
Intergovernmental receivable.....	1,467	1,082	1,467	1,082
Total assets.....	<u>\$778,593</u>	<u>\$11,434,180</u>	<u>\$11,563,845</u>	<u>\$648,928</u>
LIABILITIES:				
Intergovernmental payable.....	\$778,593	\$11,434,180	\$11,563,845	\$648,928
Total liabilities.....	<u>\$778,593</u>	<u>\$11,434,180</u>	<u>\$11,563,845</u>	<u>\$648,928</u>

OTHER AGENCY FUNDS

ASSETS:				
Equity in pooled cash and cash equivalents.....	\$528,218	\$61,092,879	\$61,116,160	\$504,937
Intergovernmental receivable.....	0	18,335		18,335
Total assets.....	<u>\$528,218</u>	<u>\$61,111,214</u>	<u>\$61,116,160</u>	<u>\$523,272</u>
LIABILITIES:				
Other liabilities.....	\$528,218	\$61,111,214	\$61,116,160	\$523,272
Total liabilities.....	<u>\$528,218</u>	<u>\$61,111,214</u>	<u>\$61,116,160</u>	<u>\$523,272</u>

CLERMONT COUNTY COURT SYSTEM

ASSETS:				
Equity in pooled cash and cash equivalents.....	\$2,396,416	\$30,999,536	\$31,257,295	\$2,138,657
Cash equivalents in segregated accounts.....	57,847	55,484	57,847	55,484
Total assets.....	<u>\$2,454,263</u>	<u>\$31,055,020</u>	<u>\$31,315,142</u>	<u>\$2,194,141</u>
LIABILITIES:				
Intergovernmental payable.....	\$663,259	\$335,232	\$679,525	\$318,966
Other liabilities.....	1,791,004	30,719,788	30,635,617	1,875,175
Total liabilities.....	<u>\$2,454,263</u>	<u>\$31,055,020</u>	<u>\$31,315,142</u>	<u>\$2,194,141</u>

(Continued)

CLERMONT COUNTY, OHIO
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS - CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2002 - Continued

GENERAL COUNTY AGENCY

	Beginning Balance 1/1/02	Additions	Deductions	Ending Balance 12/31/02
ASSETS:				
Cash equivalents in segregated accounts.....	\$299,725	\$309,081	\$299,725	\$309,081
Cash with fiscal and escrow agents.....	180,178	351,736	180,178	351,736
Total assets.....	\$479,903	\$660,817	\$479,903	\$660,817
LIABILITIES:				
Other liabilities.....	\$479,903	\$660,817	\$479,903	\$660,817
Total liabilities.....	\$479,903	\$660,817	\$479,903	\$660,817

TOTAL AGENCY FUNDS

ASSETS:				
Equity in pooled cash and cash equivalents.....	\$9,374,919	\$105,620,867	\$105,027,624	\$9,968,162
Cash equivalents in segregated accounts.....	357,572	364,565	357,572	364,565
Cash with fiscal and escrow agents.....	180,178	351,736	180,178	351,736
Taxes receivable.....	142,938,947	336,943,840	324,389,872	155,492,915
Intergovernmental receivable.....	1,467	19,417	1,467	19,417
Total assets.....	\$152,853,083	\$443,300,425	\$429,956,713	\$166,196,795
LIABILITIES:				
Intergovernmental payable.....	\$150,053,958	\$350,808,606	\$337,725,033	\$163,137,531
Other liabilities.....	2,799,125	92,491,819	92,231,680	3,059,264
Total liabilities.....	\$152,853,083	\$443,300,425	\$429,956,713	\$166,196,795

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CLERMONT COUNTY
CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

CLERMONT COUNTY, OHIO*Capital Assets Used in the Operation of Governmental Funds**Schedule By Function and Activity**December 31, 2002*

<u>Function and Activity</u>	<u>Land</u>	<u>Buildings, and Building Improvements</u>	<u>Furniture, Fixtures and Equipment</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>	<u>Total</u>
General Government- Legislative and executive	\$3,257,903	\$15,077,006	\$10,815,861	\$0	\$0	\$29,150,770
General Government- Judicial	0	6,597,752	654,372	0	1,714,370	8,966,494
Public safety	190,000	13,390,412	16,437,543	0	921,610	30,939,565
Public works	110,652	1,108,910	3,891,667	111,106,011	7,884,391	124,101,631
Health	20,000	96,500	93,606	0	55,315	265,421
Human Services	0	5,430,625	1,349,379	0	0	6,780,004
Transportation	0	0	1,364,648	0	0	1,364,648
Community Development	0	0	23,162	967,928	7,794,136	8,785,226
Total Governmental Funds ' Capital Assets	<u>\$3,578,555</u>	<u>\$41,701,205</u>	<u>\$34,630,238</u>	<u>\$112,073,939</u>	<u>\$18,369,822</u>	<u>\$210,353,759</u>

CLERMONT COUNTY, OHIO

*Capital Assets Used in the Operation of Governmental Funds
 Schedule of Changes By Function and Activity
 For the year ended December 31, 2002*

Function and Activity	Governmental Funds Capital Assets Jan 1, 2002	Additions	Disposals	Governmental Funds Capital Assets Dec 31, 2002
General Government- Legislative and executive	\$28,968,956	\$1,046,393	\$864,579	\$29,150,770
General Government- Judicial	8,439,397	527,097	0	8,966,494
Public Safety	28,253,899	7,291,074	4,605,406	30,939,567
Public Works	113,313,845	17,501,988	6,714,204	124,101,629
Health	217,841	47,580	0	265,421
Human Services	6,797,528	35,112	52,636	6,780,004
Transportation	1,611,173	365,006	611,531	1,364,648
Community Development	4,149,107	5,977,770	1,341,651	8,785,226
Total Governmental Funds' Capital Assets	<u>\$191,751,746</u>	<u>\$32,792,020</u>	<u>\$14,190,007</u>	<u>\$210,353,759</u>

CLERMONT COUNTY, OHIO

*Capital Assets Used in the Operation of Governmental Funds
 Capital Assets by Source
 December 31, 2002*

Governmental Funds Fixed Assets:	
Land	\$3,578,555
Building, structures, and improvements	41,701,205
Furniture, fixtures and equipment	34,630,238
Infrastructure	112,073,939
Construction in progress	18,369,822
Total Governmental Funds' Capital Assets	<u>\$210,353,759</u>

Investment in Governmental funds' capital assets by source:	
General fund revenues	\$29,642,856
Special revenue fund revenues	12,398,732
Capital projects	168,084,371
Donations	227,800
Total Investment in Governmental Funds' Capital Assets	<u>\$210,353,759</u>

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STATISTICAL SECTION

Table 1
Clermont County, Ohio
 General Governmental Expenditures by Function (1)
 Last Ten Years

Year	General Government	Public Safety	Public Works	Health	Human Services	Community Development	Transportation	Intergovernmental	Capital Outlay	Debt Service	Total
1993	\$13,889,544	\$10,467,725	\$5,706,687	\$559,991	\$20,213,591	\$353,403	\$0	\$0	\$8,649,587	\$3,032,883	\$62,873,411
1994	16,883,516	11,318,481	5,611,959	719,736	18,763,193	725,503	0	0	10,610,381	3,825,791	68,458,560
1995	16,881,666	11,795,945	6,363,133	847,393	19,437,933	1,131,309	0	0	7,554,911	3,879,082	67,891,372
1996	19,427,561	12,622,604	7,763,303	984,608	20,512,803	259,290	0	1,231,739	4,585,807	3,840,562	71,228,277
1997	20,666,061	14,727,727	7,983,786	1,093,465	21,549,629	463,146	374,532	997,862	8,039,506	3,999,467	79,895,181
1998	19,024,351	15,444,389	7,163,314	795,335	21,548,579	325,415	1,990,223	948,617	3,602,149	4,081,873	74,924,245
1999	20,875,073	16,312,871	7,369,289	792,814	23,153,957	455,270	1,577,827	1,081,659	9,684,993	4,122,529	85,426,282
2000	20,776,044	17,579,375	8,355,342	684,306	24,475,887	485,033	1,951,308	2,809,966	11,886,127	4,941,534	93,944,922
2001	23,469,382	19,597,964	8,483,972	824,629	25,854,986	866,448	1,525,157	1,482,661	10,111,738	5,006,454	97,223,391
2002	23,675,662	21,490,260	7,982,618	821,758	28,152,379	321,188	1,875,182	2,066,421	11,604,147	5,979,945	103,969,560

(1) Includes General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds

Government-Wide Expenses by Function - Governmental Activities
 Last Three Years

Year	General Government	Public Safety	Public Works	Health	Human Services	Community Development	Transportation	Interest and Fiscal Charges	Total
2000	\$22,912,374	\$18,207,672	\$8,258,016	\$684,141	\$24,587,506	\$3,302,491	\$2,090,458	\$2,321,642	\$82,364,300
2001	26,409,622	22,853,430	9,714,271	759,914	25,862,996	2,512,442	1,190,463	1,985,351	91,288,489
2002	26,983,260	22,540,989	7,155,162	780,820	28,314,617	2,548,204	1,671,387	2,309,295	92,303,734

Source: Clermont County Auditor

Table 2
Clermont County, Ohio
 General Governmental Revenues by Source (1)
 Last Ten Years

Year	Charges For Services		Licenses And Permits	Fines And Forfeiture	Inter-governmental	Special Assessment	Investment Earnings	Net Increase (Decrease) in Fair Value	All Other Revenue	Total
	All Taxes									
1993	\$21,739,255	\$7,027,542	\$939,478	\$803,135	\$24,973,534	\$358,578	\$2,376,492	\$0	\$1,252,484	\$59,470,498
1994	23,235,030	8,812,888	1,134,159	829,612	24,171,446	361,442	2,521,586	0	2,146,755	63,212,918
1995	24,740,903	8,558,905	1,355,924	1,209,324	24,468,617	271,970	2,822,991	0	1,377,071	64,805,705
1996	26,162,781	9,276,690	1,236,064	1,307,644	26,045,080	273,301	2,956,795	0	2,630,399	69,888,754
1997	28,559,276	11,108,794	1,111,566	1,358,463	29,894,228	289,375	2,826,941	0	3,951,641	79,100,284
1998	29,834,519	12,486,913	1,191,080	1,632,510	28,585,751	427,187	3,657,144	433,668	3,352,515	81,601,287
1999	31,556,484	11,779,888	1,247,468	1,836,134	34,219,949	440,008	4,027,809	(1,510,094)	2,857,999	86,455,645
2000	31,626,636	12,601,113	1,282,523	1,722,864	33,456,987	588,124	4,897,257	1,536,478	2,334,353	90,046,335
2001	34,379,497	15,055,761	1,295,919	1,575,449	39,273,256	612,310	5,158,257	687,011	5,594,396	103,631,856
2002	38,193,082	16,427,657	1,354,799	1,895,526	40,978,399	567,484	4,611,656	(350,450)	1,213,181	104,891,334

(1) Includes General Fund, Special Revenue Funds, Debt Services, Capital Project Funds

Government-Wide Revenue - Governmental Activities
 Last Three Years

Year	Program Revenues			General Revenue			Total
	Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Grants and Contributions Not Restricted To Specific Programs	Unrestricted Investment Earnings	Miscellaneous	
2000	\$16,891,151	\$25,822,996	\$10,287,243	\$4,453,323	\$6,409,374	\$1,731,238	\$98,922,757
2001	19,273,713	29,824,261	3,306,780	4,170,756	5,817,336	6,236,612	103,181,986
2002	21,418,509	30,834,937	5,459,628	5,858,652	4,156,791	1,213,288	105,757,518

Source: Clermont County Auditor

Table 3
Clermont County, Ohio
General Governmental Tax Revenue By Source (1)
Last Ten Years

Collection Year	General			Tangible		County		Manufactured		Permissive		Total
	Property Tax	Personal Tax	Sales Tax	Home Tax	Motor Vehicle Tax	Lodging	County Lodging	Motor Vehicle Tax	County Lodging			
1993	\$8,610,980	\$869,763	\$10,739,419	\$97,947	\$1,275,153	\$145,993	\$21,739,255					
1994	9,202,629	901,699	11,715,205	98,936	1,167,624	148,937	23,235,030					
1995	9,503,873	981,864	12,911,511	103,877	1,102,320	137,458	24,740,903					
1996	9,480,258	1,186,446	14,013,612	98,841	1,209,669	173,955	26,162,781					
1997	11,032,203	1,105,881	14,878,578	84,839	1,264,763	193,012	28,559,276					
1998	11,557,529	1,127,458	15,627,874	109,877	1,219,574	192,207	29,834,519					
1999	11,935,649	968,449	17,114,554	87,073	1,237,692	213,067	31,556,484					
2000	12,594,148	853,558	16,552,528	91,020	1,271,085	264,297	31,626,636					
2001	12,863,893	941,126	18,852,315	90,597	1,326,168	305,398	34,379,497					
2002	14,970,416	1,139,345	19,513,566	204,776	2,041,556	323,423	38,193,082					

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

Source: Clermont County Auditor

Table 4
Clermont County, Ohio
Property Tax Levies and Collections-Real, Utility and Tangible Taxes
Last Ten Years

Collection Year	Current Taxes Levied	Current Taxes Collected	Percent Collected	Delinquent Tax Collections	Percent of Total	
					Current Taxes Collected	Total Taxes Collected
1993	\$14,975,213	\$14,695,009	98.13%	\$485,838	101.37%	\$15,180,847
1994	15,960,274	15,578,638	97.61	470,474	100.56	16,049,112
1995	16,443,232	16,186,020	98.44	596,616	102.06	16,782,636
1996	17,773,775	17,299,215	97.33	354,484	99.32	17,653,699
1997	18,950,477	18,363,919	96.90	355,936	98.78	18,719,855
1998	19,427,368	18,977,753	97.69	668,180	101.13	19,645,933
1999	19,956,008	19,402,173	97.22	518,947	99.83	19,921,120
2000	20,810,509	20,120,975	96.69	553,050	99.34	20,674,025
2001	21,173,444	20,547,474	97.04	560,799	99.69	21,108,273
2002	21,833,074	21,075,908	96.53	602,250	99.29	21,678,158

(1) Includes all tax rates levied County-wide . Refer to: "Note G- Receivables" in the Notes to the Financial Statements, and "Table 9-Property Tax Rates - Direct and Overlapping Governments" in this section.

Source: Clermont County Auditor

Table 5
Clermont County, Ohio
Assessed and Estimated Actual Value of Taxable Property⁽¹⁾
Last Ten Years
(Amounts in 000'S)

Collection Year	Real Property (2)		Personal Property (3)		Public Utility (3)		Totals		Assessed Value As a % of Estimated Actual Value	
	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual	Assessed	Estimated Actual
1994	\$1,594,875	\$4,556,786	\$162,325	\$649,300	\$610,847	\$610,847	\$2,368,047	\$5,816,933	40.71%	
1995	1,700,476	4,858,503	178,445	713,780	607,227	607,227	2,486,148	6,179,510	40.23	
1996	1,773,497	5,067,134	181,160	724,640	606,328	606,328	2,560,985	6,398,102	40.03	
1997	2,100,231	6,000,660	192,391	769,564	608,549	608,549	2,901,171	7,378,773	39.32	
1998	2,170,660	6,201,886	208,672	834,688	606,183	606,183	2,985,515	7,642,757	39.06	
1999	2,254,672	6,441,920	208,217	832,868	608,783	608,783	3,071,672	7,883,571	38.96	
2000	2,539,515	7,255,757	219,511	878,044	567,280	567,280	3,326,306	8,701,081	38.23	
2001	2,636,426	7,532,646	190,220	760,880	540,820	540,820	3,367,466	8,834,346	38.12	
2002	2,750,064	7,857,326	199,683	798,732	262,596	262,596	3,212,343	8,918,654	36.02	
2003	3,136,913	8,962,609	201,346	805,384	276,545	276,545	3,614,804	10,044,538	35.99	

(1) Exempt properties are not included in the estimated actual values nor in assessed valuations.

(2) The estimated actual values for real estate property were derived by 35% of the assessed values on the real estate property. Refer to: "Note G-Receiptables" in the Financial Statements.

(3) The estimated actual values for personal property and public utility were derived from an average rate of the assessed values (the average rate consists of varying rates for manufacturing equipment, inventory and other equipment for the ten years presented).

Source: Clermont County Auditor

Table 6
Clermont County, Ohio
Special Assessment Billings and Collections
Last Ten Years

Year	Total Assessment Billings	Total Assessments Collected
1993	\$425,360	\$341,560
1994	362,888	349,132
1995	309,588	295,433
1996	266,785	238,332
1997	427,400	261,436
1998	660,584	427,187
1999	451,843	440,008
2000	677,098	588,124
2001	655,348	612,310
2002	622,577	567,484

Source: Clermont County Auditor

Table 7
Clermont County, Ohio
Ratio of Net General Bonded Debt To Assessed
Value and Net Bonded Debt Per Capita
Last Ten Years
(Dollar Amounts in 000's)

Year	Population (i)	Assessed Values (1) (ii)	Gross Bonded Debt (ii)	Less Debt Service Funds (ii)	Net Bonded Debt (ii)	Ratio Of		Per Capita Net General Bonded Debt
						Net General Bonded Debt to Assessed Value	Net General Bonded Debt	
1993	158,880	\$2,368,047	\$36,090	\$41	\$36,049	0.0152		\$226.89
1994	164,050	2,486,148	34,955	84	34,871	0.0140		212.56
1995	166,860	2,560,985	33,165	79	33,086	0.0129		198.29
1996	170,450	2,901,171	31,315	23	31,292	0.0108		183.58
1997	172,010	2,985,515	29,395	25	29,370	0.0098		170.75
1998	174,320	3,071,672	27,405	18	27,387	0.0089		157.11
1999	175,960	3,326,306	31,825	19	31,806	0.0096		180.76
2000	182,660	3,367,466	29,230	20	29,210	0.0087		159.91
2001	184,320	3,212,343	43,950	25	43,925	0.0137		238.31
2002	184,030	3,614,804	40,695	23	40,672	0.0113		221.01

(1) Refer to "Table 5-Assessed and Estimated Actual Value of Taxable Property" in this section.

Source: (i) Clermont County Planning Commission
(ii) Clermont County Auditor

Table 8
Clermont County, Ohio
 Computation of Legal Debt Margin
 December 31, 2002

Direct legal debt limitation (1):		
3.0% of the first \$100,000,000 Assessed Valuation		\$3,000,000
1.5% on excess of \$100,000,000-not in excess of \$300,000,000		3,000,000
2.5% on the amount in excess of \$300,000,000		<u>82,870,109</u>
Total direct legal debt limitation (2)		88,870,109
Total of all county debt outstanding(3)	\$133,532,000	
Less:		
Special Assessment Bonds (self supporting)(4)	\$3,787,000	
Mortgage Revenue Bonds	85,750,000	
Other exempt debt:		
1992 Correctional Facility	1,500,000	
1993 Building, Road Improvement and Refunding	11,310,000	
2001 Correctional Facility	2,390,000	
2001 Road Improvement Notes	<u>3,300,000</u>	
Total exempt debt:		108,037,000
Less:		
Available funds in debt service funds as of December 31, 2002		<u>22,883</u>
Total net indebtedness (voted and unvoted) subject to direct debt limitation		<u>25,472,117</u>
Direct Legal Debt Margin		<u><u>\$63,397,992</u></u>
Unvoted debt limitation (subject to 1% of County assessed valuation)	\$36,148,044	
Total Net indebtedness (unvoted-subject to the 1% legal debt limitation)	<u>25,472,117</u>	
Total unvoted legal debt margin:		<u><u>\$10,675,927</u></u>

(1) Direct legal debt limitation is outlined by the Ohio Revised Code, 133.01 and 133.07

(2) Refer to "Table 5 - Assessed and Estimated Actual Value of Taxable Property" in this section.

(3) Total debt outstanding does not include long-term note obligation payable to the Ohio Water Development Authority and the Ohio Public Works Commission. These obligations are disclosed in "Note I - Long-Term Debt and Other Obligations" in the Notes to the Financial Statements.

(4) Refer to "Note I - Long-Term Debt and Other Obligations" in the Notes to the Financial Statements.

Source: Clermont County Auditor

Table 9
Clermont County, Ohio
Property Tax Rates - Direct and Overlapping Governments (1)
Per \$1000 of Assessed Value
Last Ten Years
December 31, 2002

County Entities	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
General	\$2.20	\$2.20	\$2.20	\$2.20	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10	\$2.10
Senior Services	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.10	1.10
Children Services	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Courthouse-Admin. Bldg										
County Capital Construction	0.90	0.90	0.90	0.90	1.00	1.00	1.00	1.00	1.00	1.00
Total County Entities	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	5.00	5.00
Other Entities										
Bd of Mental Retardation	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	3.25	2.50
Comm Mental Health Board	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Park District	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Clermont Cty. Pub. Library	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Total Other Entities	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	4.35	3.60
Total County-Wide	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.25	9.35	8.60
School Districts										
Batavia	42.70	49.00	49.00	48.40	48.40	48.40	48.40	48.40	48.40	48.10
Bethel-Tate	34.10	34.10	34.10	33.70	33.70	33.70	38.54	38.64	38.44	38.44
Clermont-Northeastern	36.90	36.90	36.90	36.00	36.50	36.50	36.50	36.50	36.00	36.00
Felicity-Franklin	31.30	31.30	34.66	33.30	33.30	33.30	33.30	33.30	34.90	34.90
Goshen	30.40	30.40	30.40	30.40	26.40	26.40	30.40	30.40	30.40	30.40
Milford	57.50	57.50	57.50	54.52	59.10	59.10	59.10	59.10	63.20	63.20
New Richmond	32.60	32.60	32.60	32.40	32.40	32.45	32.45	32.55	32.65	32.55
West Clermont	40.70	49.45	49.45	49.15	49.15	49.15	49.15	49.15	49.15	49.15
Williamsburg	42.50	41.80	47.80	45.60	45.60	45.60	45.60	45.00	45.00	44.60
U. S. Grant Vocational	4.20	4.20	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10

(Continued)

(1) Property tax rates are determined by a combination of the county- wide tax rate and the applicable tax rates for the school district, township, municipality or other districts in which a given property is located

Source: Clermont County Auditor

Table 9

(Continued)

Out-Of-County School Districts	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Blanchester	\$34.15	\$33.90	\$33.90	\$33.45	\$33.45	\$33.45	\$36.04	\$36.04	\$35.94	35.94
Forest Hills	42.51	48.98	48.70	50.84	50.84	50.84	50.63	50.44	50.44	55.34
Great Oaks Vocational	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70	2.70
Little Miami	44.39	43.04	42.79	42.54	47.75	46.98	45.44	44.34	43.89	47.44
Loveland	55.83	55.27	54.58	59.68	59.12	63.75	63.33	69.68	69.68	69.68
Southern Hills Vocational	5.90	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80	5.80
Warren County Vocational	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Western Brown	19.40	19.40	19.40	19.40	24.60	24.60	24.60	24.60	23.10	23.10
Corporations										
Amelia	17.30	17.30	18.80	18.80	18.80	17.80	18.90	17.00	17.00	17.00
Batavia	5.60	5.60	6.80	6.50	6.50	6.50	6.50	6.50	1.90	1.80
Bethel	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Chilo	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Felicity	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Milford	14.80	14.80	14.80	14.30	14.30	14.30	14.30	13.70	13.70	13.70
Moscow	2.50	2.50	2.50	4.54	4.54	4.54	4.54	5.04	5.04	3.50
Neville	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
New Richmond	15.00	15.00	15.00	15.00	15.00	15.00	15.00	16.50	16.50	16.50
Newtownsville	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Owensville	11.10	11.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10	14.10
Williamsburg	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80	6.80
Out-Of-County Corporations										
Loveland	9.93	9.91	9.91	9.55	9.55	9.55	9.55	9.55	11.55	11.55
Townships										
Batavia	6.90	6.90	6.90	6.90	6.90	6.90	6.90	6.90	2.40	2.40
Franklin	9.20	9.20	9.20	9.20	9.20	9.20	9.20	12.20	14.20	14.20
Goshen	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	17.60	21.60
Jackson	8.40	8.40	8.40	8.40	8.40	10.40	10.40	10.40	10.40	10.40
Miami	17.10	17.10	18.60	22.11	22.11	22.11	22.11	22.11	22.11	22.11
Monroe	10.60	10.60	10.60	10.60	16.60	16.60	10.60	10.60	10.60	10.60
Ohio	6.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60	8.60
Pierce	11.30	11.30	11.30	13.30	14.00	14.00	14.00	16.90	16.90	16.90
Stonelick	8.10	8.10	8.10	8.10	8.10	10.60	10.60	10.60	10.60	10.60
Tate	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70
Union	15.50	15.50	17.40	17.40	17.40	17.40	17.40	17.40	17.40	21.40
Washington	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20	7.20
Wayne	8.70	8.70	8.70	8.70	8.70	10.70	10.70	10.70	12.70	12.70
Williamsburg	4.90	5.80	5.80	5.80	5.80	5.80	8.70	8.70	8.70	8.70
Other Districts										
Bethel-Tate Jnt. Amb.	3.30	3.30	3.30	5.30	5.30	6.60	6.60	6.60	6.60	6.60
Central Joint Fire & EMS									5.50	5.50

(1) Property tax rates are determined by a combination of the county- wide tax rate and the applicable tax rates for the school district, township, municipality or other districts in which a given property is located

Source: Clermont County Auditor

Table 10
Clermont County, Ohio
 Computation of Direct and Overlapping Debt
 December 31, 2002

Political Subdivision	General Obligation Debt (1)	Percentage Applicable To County (2)	Amount Applicable To Clermont County
Clermont County	\$40,695,000	100.00%	\$40,695,000
Villages wholly within County	296,000	100.00	296,000
Townships wholly within County	9,231,708	100.00	9,231,708
School Districts wholly within County	23,869,701	100.00	23,869,701
Special Districts wholly within County	300,000	100.00	300,000
Total within County	74,392,409		74,392,409
Cities with overlapping			
City of Loveland	5,470,000	12.29	672,263
City of Milford	3,265,000	98.97	3,231,371
School Districts with overlapping			
Bethel-Tate Local S. D.	5,870,000	99.90	5,864,130
Blanchester Local S. D.	4,594,000	13.58	623,865
Clermont Northeastern Local S. D.	4,229,985	99.63	4,214,334
Forest Hills Local S. D.	22,505,000	0.00	0
Goshen Local S. D.	6,530,000	91.57	5,979,521
Loveland City S. D.	38,170,734	42.45	16,203,477
Little Miami Local S. D.	16,009,810	0.20	32,020
Milford Exempted Village S. D.	43,621,418	99.83	43,547,262
Western Brown Local S. D.	6,397,527	0.00	0
Williamsburg Local S. D.	3,530,000	98.71	3,484,463
Great Oaks J. V. S. D.	7,130,000	16.57	1,181,441
Total overlapping	167,323,474		85,034,146
Grand Total	\$241,715,883		\$159,426,555

(1) Includes general obligation debt which is being repaid through general property taxes.

(2) Percent applicable to Clermont County calculated using assessed valuation of taxing district in Clermont County divided by total assessed valuation of taxing district.

Source: Ohio Municipal Advisory Council
 Clermont County Auditor's Office

Table 11
Clermont County, Ohio
*Ratio of Annual Debt Service Expenditures For General
Obligation Bonded Debt To Total General Governmental Expenditures
Last Ten Years*

Year	Principal	Interest & Fiscal Charges	Total Debt Service	Total General Expenditures (1)	Ratio of Debt Service to General Expenditures (Percent)
1993	\$1,243,300	\$1,789,583	\$3,032,883	\$62,873,411	4.82%
1994	1,871,000	1,954,791	3,825,791	68,458,560	5.59
1995	1,995,926	1,883,156	3,879,082	67,891,372	5.71
1996	2,036,500	1,804,062	3,840,562	71,228,277	5.39
1997	2,113,000	1,886,467	3,999,467	79,895,181	5.01
1998	2,242,000	1,839,873	4,081,873	74,924,245	5.45
1999	2,378,000	1,744,529	4,122,529	85,425,922	4.83
2000	2,919,000	2,022,534	4,941,534	93,944,922	5.26
2001	3,080,000	1,926,454	5,006,454	97,223,391	5.15
2002	3,263,938	2,057,999	5,321,937	103,969,560	5.12

(1) Refer to "Table 1 - General Governmental Expenditures by Function" in this section

Source: Clermont County Auditor

Table 12
Clermont County, Ohio
 Demographic Statistics and Average
 Unemployment Rates
 Last Ten Years

Year	Population (1)	Per Capita Income (1)	Median Age (1)	K-12 School Enrollment (2)
1993	158,880	\$14,030	32.05	31,145
1994	164,050	13,781	32.46	28,616
1995	166,860	18,854	32.79	28,753
1996	170,450	18,349	32.93	28,874
1997	172,010	19,290	33.27	28,739
1998	174,320	22,530	33.52	28,384
1999	175,960	26,340	33.66	28,363
2000	182,660	25,707	33.87	28,145
2001	184,320	28,255	33.75	27,974
2002	184,030	29,997	35.30	27,874

Unemployment Rates (3)

Year	Clermont County	State of Ohio	United States
1993	5.1	6.5	6.4
1994	5.1	5.5	6.1
1995	4.3	4.8	5.6
1996	4.2	4.8	5.0
1997	4.1	4.6	4.9
1998	3.5	4.3	4.5
1999	3.7	4.3	4.2
2000	3.3	3.7	3.8
2001	4.1	4.5	5.4
2002	4.5	5.2	5.7

Sources: (1) Clermont Chamber of Commerce
 (2) Clermont County Board of Education
 (3) Ohio Department of Job & Family Services

Table 13
Clermont County, Ohio
Property Value, Construction, and Bank Deposits
 Last Ten Years

Collection Year	New Construction				Property Value		
	Agricultural/ Residential	Commercial/ Industrial	Total New Construction	Bank Deposit	Agricultural/ Residential	Commercial/ Industrial	Tax Exempt
1994	\$37,634,480	\$12,091,120	\$49,725,600	\$769,028,000	\$1,182,844,270	\$412,031,340	\$164,506,930
1995	50,241,400	33,893,420	84,134,820	28,834,000	1,246,576,430	453,899,470	150,014,300
1996	61,940,890	12,877,300	74,818,190	36,236,000	1,321,229,310	452,267,960	169,017,090
1997	56,478,370	24,049,280	80,527,650	39,399,000	1,563,708,690	536,522,210	205,657,080
1998	57,614,230	17,779,610	75,393,840	41,579,000	1,624,289,360	546,084,920	222,928,860
1999	59,526,900	14,064,450	73,591,350	46,728,000	1,695,593,440	559,079,530	233,153,130
2000	72,818,450	15,059,050	87,877,500	48,255,000	1,951,631,070	587,557,880	249,856,930
2001	70,248,830	12,748,640	82,997,470	66,879,000	2,033,919,770	602,506,050	267,642,270
2002	71,593,850	17,703,050	89,296,900	81,698,000	2,120,798,610	629,264,860	280,817,420
2003	81,695,190	17,414,720	99,109,910	91,192,000	2,429,472,690	707,440,990	330,700,900

Sources: Clermont County Auditor's Office
 Bank Deposit information from Federal Reserve Board

Table 14
Clermont County, Ohio
 Schedule of Enterprise Revenue Bond Coverage
 Last Ten Years

Year	Revenue (1)	Operating Expenses Excluding Depreciation	Net Revenue Available Debt Service	Revenue Bond Debt Service Requirement	Coverage	
					Excluding System Capacity Charges	Including System Capacity Charges (3)
Sewer Fund Bond Coverage						
1993	\$12,187,631	\$6,639,886	\$5,547,745	\$3,561,086	156	\$1,918,634
1994	12,785,640	7,208,206	5,577,434	3,565,363	156	2,542,350
1995	12,569,850	6,883,465	5,686,385	3,560,303	160	2,666,490
1996	14,164,151	6,883,465	7,280,686	3,567,088	204	2,447,515
1997	14,859,656	7,018,937	7,840,719	3,567,087	220	2,601,350
1998	15,416,884	6,659,675	8,757,209	3,568,150	245	2,594,590
1999	15,141,262	6,307,101	8,834,161	3,567,600	248	3,225,579
2000	17,356,125	6,135,561	11,220,564	3,569,140	314	3,002,297
2001	15,940,686	5,838,336	10,102,350	4,062,910	249	2,966,092
2002	15,254,665	6,168,849	9,085,816	3,930,261	231	2,592,245
Water Fund Bond Coverage						
1993	\$10,153,106	\$3,590,218	\$6,562,888	\$5,240,854	125	\$1,286,871
1994	10,237,798	3,747,113	6,490,685	4,160,087	156	1,656,009
1995	11,841,275	4,368,928	7,472,347	4,157,708	180	1,651,306
1996	11,278,499	4,978,167	6,300,332	4,157,707	152	1,534,500
1997	12,039,971	5,145,581	6,894,390	4,155,162	166	1,503,465
1998	12,972,984	5,291,643	7,681,341	4,156,962	185	1,626,515
1999	13,436,745	5,462,628	7,974,117	4,157,408	192	1,996,085
2000	13,104,773	5,267,309	7,837,464	4,159,467	188	1,946,300
2001	12,768,386	4,797,644	7,970,742	4,156,413	192	1,825,655
2002	13,141,743	5,180,884	7,960,859	4,156,412	192	1,678,790

(1) Including investment income

(2) System capacity charges are one-time fees to join the existing system, and are accounted for as capital contributions

(3) It is the opinion of the County's bond counsel that system capacity charges should be included in the calculation of the Enterprise Revenue Bond Coverage

Table 15
Clermont County, Ohio
 Principal Property Taxpayers
 December 31, 2002

Taxpayers	Real Estate Assessed Valuation	Personal Property Assessed Valuation	Total Assessed Valuation	Percentage of Total Assessed Valuation
Cinergy Corporation	\$39,587,710	\$169,224,870	\$208,812,580	5.7766%
Dayton Power & Light	16,721,020	38,701,780	55,422,800	1.5332%
Columbus & Southern	13,566,430	31,757,620	45,324,050	1.2538%
Cinti Bell Telephone	908,130	26,772,450	27,680,580	0.7658%
ZF Batavia LLC	13,648,920	11,892,660	25,541,580	0.7066%
Eastgate Company	21,037,710	0	21,037,710	0.5820%
Acquiport Milford LLC	9,406,940	0	9,406,940	0.2602%
Amerishop Biggs Place	8,511,990	0	8,511,990	0.2355%
Meijer Stores	5,673,830	2,599,450	8,273,280	0.2289%
OTR	6,047,320	0	6,047,320	0.1673%
Totals	\$135,110,000	\$280,948,830	\$416,058,830	12.9519%

Source: Clermont County Auditor

Table 16
Clermont County, Ohio
Ten Largest Employers
December 31, 2002

Firm	Number of Employees
3M Precision Optics	1,550
ZF Batavia, L.L.C.	1,510
Clermont County	1,392
West Clermont Local School District	937
International Paper	800
The Midland Company	785
Milford Exempted Village School District	773
Electronic Data Systems	760
Milacron	750
Mercy Hospital Clermont	620

Source: Clermont County Chamber of Commerce

Table 17
Clermont County
Salaries of Principal Officials
December 31, 2002

<u>Office</u>	<u>Elected Officials</u>	<u>Salary</u>
County Commissioners (1)		\$54,340
County Commissioners (2)		57,425
Auditor		63,560
Clerk of Courts		66,998
Coroner		101,255
Engineer		83,304
Prosecuting Attorney		61,506
Recorder		50,084
Sheriff		73,967
Treasurer		53,598
	<u>Appointed Officials</u>	
Executive Director Clermont County Community Mental Health Board		81,743
Superintendent of Clermont County Board of Mental Retardation		105,511
Director Department of Job and Family Services		95,000
County Administrator Board of County Commissioners		97,011
Sanitary Engineer Sewer District		30,000
Commissioner Clermont County Health District		76,900
Director, Board of Elections		45,000
Director, Veterans Services		45,974
Source: Clermont County Auditor		

Table 18
Clermont County
Surety Bond Coverage-Various Officials
December 31, 2002

<u>Office</u>	<u>Bond Coverage</u>
Auditor	\$20,000
Clerk of Courts	10,000
Coroner	14,000
County Commissioners (1)	15,000
County Commissioners (2)	10,000
Engineer	10,000
Prosecuting Attorney	75,000
Recorder	10,000
Sheriff	82,000
Treasurer	100,000

Source: Clermont County Auditor

Table 19
Clermont County, Ohio
 Miscellaneous Statistics
 December 31, 2002

Form of Government: (1)

Board of County Commissioners
 County Seat: Batavia, Ohio
 Area: 470 Square Miles

Population (3) - 184,320

1980 - 1997 Growth Rate: 1.73%
 1997 - 2005 Growth Rate Estimate: 1.77%*
 *3rd in Growth for Ohio Counties

Land Use: (1)

Urban 65%
 Agriculture 22%
 Other 13%

Industries: (2)

Industry	No. of Workers
Construction	3,568
Manufacturing	8,284
Transportation and Utilities	1,495
Wholesale & retail trade	14,777
Finance, Insurance and Real Estate Services	2,827
State and Local Government	11,260
	6,423

Libraries: (1)

Clermont County Public Library
 10 Branches

Medical Care: (2)

Hospitals in County 1
 Beds 157

 Physicians 109

 Nursing Homes 8
 Beds 978

Communications, Clermont County: (1)

Radio Stations 1
 Weekly County Newspapers 2
 Weekly Community Newspapers 3

Transportation: (2)

Highways:	Amount	Miles
U. S. Routes	3	45
State Routes	17	208
Interstate Routes	1	14

State Parks: (1)

Facilities 2
 Acreage 1,644

Railroads:

RR Lines through County 2

Air:

Commercial Airports:
 Greater Cincinnati International
 30 miles from Batavia

Clermont County Airport
 Daily Arrivals/Departures 80
 Number of Runways 1

Sources: (1) Clermont County Auditor
 (2) Ohio Department of Development
 (3) Clermont Chamber of Commerce



**Auditor of State
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CLERMONT COUNTY FINANCIAL CONDITION

CLERMONT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 3, 2003**