

**BUCKEYE HILLS-HOCKING VALLEY
REGIONAL DEVELOPMENT DISTRICT**

MARIETTA, OHIO

GENERAL PURPOSE FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2003



**Auditor of State
Betty Montgomery**

Board of Directors
Buckeye Hills - Hocking Valley Regional Development District

We have reviewed the Independent Auditor's Report of the Buckeye Hills - Hocking Valley Regional Development District, Washington County, prepared by S.R. Snodgrass, A.C., for the audit period July 1, 2002 through June 30, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Buckeye Hills - Hocking Valley Regional Development District is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 7, 2004

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**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
JUNE 30, 2003**

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**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
JUNE 30, 2003**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Buckeye Hills-Hocking Valley Regional Development District
Marietta, Ohio

We have audited the accompanying general purpose financial statements of Buckeye Hills-Hocking Valley Regional Development District, as of and for the year ended June 30, 2003, as listed in the table of contents. These general purpose financial statements are the responsibility of the Buckeye Hills-Hocking Valley Regional Development District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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 provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Buckeye Hills-Hocking Valley Regional Development District, as of June 30, 2003, and the results of its operations 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 October 17, 2003, on our consideration of Buckeye Hills-Hocking Valley Regional Development District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. This 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.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of Buckeye Hills-Hocking Valley Regional Development District, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

S. N. Snodgrass, A.C.

Wheeling, West Virginia
October 17, 2003

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2003**

	GOVERNMENTAL FUND TYPES		ACCOUNT GROUPS		TOTAL
	General Fund	Special Revenue Funds	General Fixed Assets	General Long-Term Obligations	(Memorandum Only)
ASSETS					
Cash in Banks	\$ 626,389	\$ 1,305,165	\$ -	\$ -	\$ 1,931,554
Petty Cash	200	-	-	-	200
Certificate of Deposit	-	164,699	-	-	164,699
Common Stock	102,532	-	-	-	102,532
Prepaid Items	-	10,334	-	-	10,334
Loans Receivable, Net	-	1,296,354	-	-	1,296,354
Grants Receivable	-	1,246,077	-	-	1,246,077
Land	-	-	8,000	-	8,000
Office and Computer Equipment	-	-	434,169	-	434,169
Accumulated Depreciation	-	-	(228,782)	-	(228,782)
Amount to be Provided from General Resources	-	-	-	94,380	94,380
Total Assets	\$ 729,121	\$ 4,022,629	\$ 213,387	\$ 94,380	\$ 5,059,517
LIABILITIES, FUND EQUITY, AND OTHER CREDITS					
LIABILITIES					
Accounts Payable	\$ -	\$ 1,423,122	\$ -	\$ -	1,423,122
Accrued Payroll	-	83,784	-	-	83,784
Accrued Audit Costs	-	28,721	-	-	28,721
Deferred Revenue	-	180,851	-	-	180,851
Retirement Plan Obligation	-	-	-	15,763	15,763
Compensated Absences Payable	-	20,905	-	78,617	99,522
Total Liabilities	-	1,737,383	-	94,380	1,831,763
FUND EQUITY AND OTHER CREDITS					
Investment in General Fixed Assets	-	-	213,387	-	213,387
Fund Balances Designated for:					
Reserved for Loans	-	1,317,260	-	-	1,317,260
Future Year's Operation	729,121	967,986	-	-	1,697,107
Total Fund Equity and Other Credits	729,121	2,285,246	213,387	-	3,227,754
Total Liabilities, Fund Equity, and Other Credits	\$ 729,121	\$ 4,022,629	\$ 213,387	\$ 94,380	\$ 5,059,517

The accompanying notes are an integral part of the general purpose financial statements.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2003**

	General Fund	Special Revenue Funds	Total (Memorandum Only)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Federal Grants	\$ -	\$ 6,513,185	\$ 6,513,185
State Grants	18,452	3,850,566	3,869,018
Local Funds	30,500	-	30,500
Interest Income	3,104	82,766	85,870
Miscellaneous Income	119,243	67,784	187,027
	<u>171,299</u>	<u>10,514,301</u>	<u>10,685,600</u>
Total Revenues			
EXPENDITURES			
Area Agency Payments to Service Providers	-	7,689,269	7,689,269
Personnel	-	1,192,016	1,192,016
Employee Benefits	-	624,614	624,614
Travel	174	124,106	124,280
Contractual	-	16,552	16,552
Equipment Purchases	-	112,650	112,650
Supplies	498	64,877	65,375
Space	11,452	33,219	44,671
Other Direct Costs	18,445	169,193	187,638
Indirect Costs	-	357,560	357,560
Local Cash Applied	5,006	-	5,006
	<u>35,575</u>	<u>10,384,056</u>	<u>10,419,631</u>
Total Expenditures			
Excess of Revenues Over Expenditures	<u>135,724</u>	<u>130,245</u>	<u>265,969</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	2,206,422	2,206,422
Transfers Out	-	(2,206,422)	(2,206,422)
	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)			
Excess of Revenues and Other Sources Over Expenditures and Other Uses	135,724	130,245	265,969
FUND BALANCES AT JULY 1, 2002	<u>593,397</u>	<u>2,155,001</u>	<u>2,748,398</u>
FUND BALANCES AT JUNE 30, 2003	<u>\$ 729,121</u>	<u>\$ 2,285,246</u>	<u>\$ 3,014,367</u>

The accompanying notes are an integral part of the general purpose financial statements.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL - ALL GOVERNMENTAL FUND TYPES
 FOR THE YEAR ENDED JUNE 30, 2003**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Federal Grants	\$ -	\$ -	\$ -	\$ 2,678,386	\$ 6,513,185	\$ 3,834,799
State Grants	-	18,452	18,452	1,841,613	3,850,566	2,008,953
Local Funds	-	30,500	30,500	5,500	-	(5,500)
Interest Income	-	3,104	3,104	-	82,766	82,766
Miscellaneous Income	-	119,243	119,243	-	67,784	67,784
Total Revenues	-	171,299	171,299	4,525,499	10,514,301	5,988,802
EXPENDITURES						
Area Agency Payments to Service Providers	-	-	-	1,360,717	7,689,269	(6,328,552)
Personnel	-	-	-	1,230,238	1,192,016	38,222
Employee Benefits	-	-	-	638,191	624,614	13,577
Travel	-	174	(174)	133,365	124,106	9,259
Contractual	-	-	-	30,167	16,552	13,615
Equipment Purchases	-	-	-	132,053	112,650	19,403
Supplies	-	498	(498)	63,009	64,877	(1,868)
Space	-	11,452	(11,452)	33,500	33,219	281
Other Direct Costs	-	18,445	(18,445)	151,236	169,193	(17,957)
Indirect Costs	-	-	-	360,400	357,560	2,840
Local Cash Applied	-	5,006	(5,006)	-	-	-
Total Expenditures	-	35,575	(35,575)	4,132,876	10,384,056	(6,251,180)
Excess of Revenues Over Expenditures	-	135,724	135,724	392,623	130,245	(262,378)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	2,325,522	2,206,422	(119,100)
Transfers Out	-	-	-	(2,325,522)	(2,206,422)	119,100
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	135,724	\$ 135,724	\$ 392,623	130,245	\$ (262,378)
FUND BALANCES AT JULY 1, 2002		593,397			2,155,001	
FUND BALANCES AT JUNE 30, 2003		\$ 729,121			\$ 2,285,246	

The accompanying notes are an integral part of the general purpose financial statements.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to accounting principles generally accepted in the United States of America for local governmental units.

Reporting Entity

The Buckeye Hills-Hocking Valley Regional Development District, hereinafter referred to as BH-HVRDD, was created as an agency established by agreement among its members pursuant to Section 167.01-08 of the Ohio Revised Code. BH-HVRDD is organized as a voluntary organization of local government political subdivisions in Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington Counties to foster a cooperative effort in regional planning, programming, and implementing regional plans and programs. BH-HVRDD is also organized as a forum for the discussion and study of common problems of a regional nature, and for the development of policy and action recommendations relating thereto.

The functions of BH-HVRDD are:

1. To foster, develop, and review plans for regional growth, development, and conservation; and to aid in coordinating plans among local governments.
2. To perform planning directly by personnel of BH-HVRDD, or under contracts between BH-HVRDD and other public and private planning agencies; to undertake studies, collect data, develop regional plans and programs, and engage in such other activities as BH-HVRDD finds necessary or desirable for the solution of regional problems. Said planning and studies shall include, but will not be limited to, those relating to land use, transportation, housing, environmental controls, health, economic development, and community and public facilities.
3. To serve, upon the request of the local government, as a representative of such government in such matters as may affect the region as a whole.
4. To provide a continuing practical structural mechanism to promote communication and cooperation among area governmental units and agencies.
5. To review, evaluate, comment upon, and make recommendations relating to the planning and programming, and the location, financing, and scheduling of programs in the region through the A-95 program review process.

BH-HVRDD may perform common functions and services characteristic of its individual political subdivisions as described in ORC 167.03.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Entity (Continued)

BH-HVRDD may enter into special purpose contracts or agreements with one or more local government units or private non-profit organizations within the District to act on their behalf in applying for, administering, and coordinating grants and contracts available for programs authorized by State and Federal laws for physical, economic, and human resources planning and development.

The authority granted to BH-HVRDD shall not displace any existing municipal, county, or regional planning commission in the exercise of its statutory powers.

Eligibility

All cities, counties, and county seats within the counties of Athens, Hocking, Meigs, Monroe, Morgan, Noble, Perry, and Washington are eligible for membership in BH-HVRDD. Membership may be extended to other local political subdivisions, government agencies, and quasi-governmental agencies located both within and outside the eight-county area if said membership is conducive to facilitating federal, state, or regional planning objectives. Also, temporary associate membership may be extended for a special project lying partially outside the boundaries of the eight-county area. The latter membership's authorization shall be made upon majority approval of the General Policy Council's total membership.

Fund Accounting

The accounts of the District are organized on the basis of funds or groups of accounts, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balances, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into generic fund types under the following broad fund categories:

Governmental Funds

General Fund: The General Fund is the general operating fund of BH-HVRDD. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds: Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting (Continued)

Account Groups

To make clear distinction between fixed assets related to specific funds and those of general government, and between long-term liabilities related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group - This account group is established to account for all fixed assets of BH-HVRDD.

General Long-Term Obligations Account Group - This account group is established to account for all long-term obligations of BH-HVRDD.

Basis of Accounting

BH-HVRDD uses the modified accrual basis of accounting for governmental fund types. The modified accrual basis of accounting recognizes revenues when both "measurable and available". Measurable means the amount can be determined. Available means collectable within the current period or soon enough thereafter to pay current liabilities. Also, under the modified accrual basis of accounting, expenditures are recorded when the related fund liability is incurred. The available period for BH-HVRDD is 60 days.

Funding Sources

1. Appalachian Regional Commission under Section 302 of the Appalachian Regional Development Act of 1965, as amended, for administrative expenses.
2. Ohio Department of Aging:
 - a. Under Title XIX of the Social Security Act, as amended, for operation of the Pre-Admission Screening System Providing Options and Resources Today (PASSPORT).
 - b. Under Title III of the Older Americans Act, for operation of the Area Agency on Aging.
 - c. Under Eldercare Options for the operation of a state funded rural demonstration program.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Funding Sources (Continued)

3. U.S. Department of Commerce, Economic Development Administration - Under Section 301(b) of the Public Works and Economic Development Act of 1965, for administrative expenses.
4. Ohio Department of Development, Governor's Office of Appalachia, Local Development District Grant Assistance Program for administrative expenses in connection with the work program.

Allowance for Loan Losses

The allowance for loan losses is based upon management's assessment of current and historical loss experience, loan portfolio trends, prevailing economic and business conditions, specific loan review, and other relevant factors. Specific allowances are established for any impaired loan for which the recorded investment in the loan exceeds the measured value of the loan. In management's opinion, the provision is sufficient to maintain the allowance for loan losses at a level that adequately provides for potential losses.

Compensated Absences

The following policies of BH-HVRDD regarding leave accrual were followed:

1. Vacation

Full-time employees earn vacation annually, on their hire date, on the following basis: 1 through 5 years of employment, 15 working days; 6 through 10 years of employment, 20 working days; 11 through 20 years, 25 working days; 21 years and over, 30 working days.

If an employee has a balance of vacation leave at the end of their annual period, they may carry over up to 35 hours with any hours above the 35 being lost.

After 6 months of employment, all employees may take an advance of up to 35 hours of vacation leave that is charged to their 1st year accrual of vacation leave.

2. Sick Leave

Full-time employees, from the date of employment, shall earn leave at the rate of one and one-fourth days for each month worked, to a maximum of 132 days.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (Continued)

3. Holidays

BH-HVRDD has ten official holidays per year. Full-time employees are paid for these holidays; part-time employees are not paid.

Payment of Compensated Absences

1. Vacation

All employees are entitled to full payment of any unused vacation pay upon separation from BH-HVRDD.

All employees who exercise the option of taking an advance of vacation against their first year accrual are liable for repayment to BH-HVRDD if they separate from service with BH-HVRDD prior to one full year of employment.

Employees with 21 years and over of service have the option of receiving 5 days of pay and a reduction of vacation leave available by 5 days.

2. Sick Leave

All employees who accumulate sick leave hours in excess of 132 days will receive pay for accumulated leave on a ratio of one-half of accumulated leave in excess of 132 days and will be calculated at the employee's current rate of pay at the end of each fiscal year.

Upon retirement within the PERS system and with at least 10 years of service to BH-HVRDD, an employee may elect to be paid in cash for one-fourth of the value of their accrued sick leave credit to a maximum of 33 days. Such payment shall be based on the employee's rate of pay at the time of retirement. Payment of sick leave on this basis shall be considered to eliminate all sick leave credit accrued by the employee at that time and such payment may be made only once to any employee. The maximum payment which may be made under this shall be one-fourth of 132 days.

In the event of the death of an employee who has at least 10 years of service, payment of unused sick leave will be made to the employee's spouse or estate in the same manner as a retiring individual.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

General Long-Term Obligations

At June 30, 2003, management estimates that \$70,472 in vacation leave, \$29,050 in sick pay, and \$-0- in personal leave have been accumulated by the employees of BH-HVRDD. All leave will either be absorbed by time off from work or, within certain limitations, be paid to employees. The full amount of this liability has been recorded in the General Long-Term Obligations Account Group.

Sick pay has been calculated according to the termination payment method established by *Governmental Auditing Standards Board 16*. Under the termination method, BH-HVRDD estimates its sick pay liability based on past history, adjusted for relevant factors.

The General Long-Term Obligations Account Group is not a "Fund". It is concerned only with the measurement of financial position, not with the measurement of results of operations.

General Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. All Governmental Funds and Expendable Trust Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in their balance sheets. Their reported fund balance is considered a measure of "available spending resources". Governmental Fund operating statements present increases and decreases in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in Governmental Fund type operations are accounted for in the General Fixed Asset Account Group, rather than in Governmental Funds, and no depreciation expense has been provided on general fixed assets.

All fixed assets are valued at historical cost.

The General Fixed Asset Account Group is not a "Fund". It is concerned only with the measurement of financial position, not with measurement of results of operations. Accumulated depreciation is reported on the General Fixed Asset Account Group and has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of all assets is 5 years.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Process

BH-HVRDD's annual budget is a management tool that assists its users in analyzing financial activity for its fiscal year ended June 30.

BH-HVRDD's primary funding source is federal and state grants which have grant periods that may or may not coincide with BH-HVRDD's fiscal year. These grants normally are for a twelve-month period; however, they can be awarded for periods shorter or longer than twelve months.

Because of BH-HVRDD's dependency on federal and state budgetary decisions, revenue estimates are based upon the best available information as to potential sources of funding.

BH-HVRDD's annual budget differs from that of most local governments in two respects: (1) the uncertain nature of grant awards from other entities and (2) conversion of grant budgets to a fiscal year basis.

The resultant annual budget is subject to constant change within the fiscal year due to:

- Increases/decreases in actual grant awards from those estimated;
- Changes in grant periods;
- Unanticipated grant awards not included in the budget; and
- Expected grant awards that fail to materialize.

The Board formally approves the annual budget, but greater emphasis is placed on complying with the grant budget and terms and conditions on a grant-by-grant basis. These terms and conditions usually specify the period during which costs may be incurred and outline budget restrictions or allowances.

Although the annual budget for the Special Revenue Funds is reviewed and approved by the Board, it is not a legally adopted budget.

Total Columns on Combined Financial Statements

Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not indicate financial position and results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risk Management

BH-HVRDD is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. BH-HVRDD maintains commercial insurance covering each of the above risks of loss. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to BH-HVRDD.

NOTE 2. ALLOCATION OF COSTS

Office of Management and Budget Circular A-87 provides for the establishment of cost pools which are to be distributed over the benefitting activity in some rational and equitable manner. The concept of indirect costs is introduced and defined as follows in Circular A-87: "Indirect costs are those (a) incurred for a common or joint purpose benefitting more than one cost objective, and (b) not readily assignable to the cost objective specifically benefitted without effort disproportionate to the results achieved."

OMB Circular A-87 also provides the following basis options for the allocation of indirect costs accumulated in an indirect cost pool: (1) direct salary costs or (2) total direct costs, excluding items like large consulting contracts and capital expenditures.

BH-HVRDD chose the direct salary cost method because it felt that the more salary costs a grant has, the more indirect costs that grant would have. Management and administrative salaries and indirect costs are allocated to the various programs using the actual rate as determined by the method shown in BH-HVRDD's cost allocation plan.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits

Protection of the Agency's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. As of June 30, 2003 all deposits consist of certificates of deposit or checking accounts with federally insured depository institutions.

At June 30, 2003, the carrying amount of BH-HVRDD's deposits was \$2,096,253, and the bank balance was \$2,707,794.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits (Continued)

BH-HVRDD's deposits are categorized to give an indication of the level of risk assumed by BH-HVRDD at June 30, 2003. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the entity or by its agency in the entity's name.

Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agency in the entity's name.

Category 3 - Uncollateralized.

Category 1	\$ 153,641
Category 2	2,554,153
Category 3	<u> -</u>
Total	<u>\$ 2,707,794</u>

Investments

Investments consist of 1,329 shares of Anthem, Inc. common stock with a carrying value of \$102,532 as of June 30, 2003. BH-HVRDD has recorded its investment in common stock in accordance with Governmental Accounting Standards Board Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools," which requires that investments be recorded at their fair value and that changes in the fair value be reported in the operating statement. However, this is an impermissible investment, per state statutes.

NOTE 4. CONCENTRATIONS OF CREDIT

BH-HVRDD maintains significant cash balances on deposit with a federally insured financial institution. At June 30, 2003, the aggregate balance of cash on deposit, in excess of the amount covered by federal deposit insurance, was approximately \$2,554,153. BH-HVRDD has collateralized these deposits with separate pledges of bank securities.

The majority of BH-HVRDD's funding is through federal and state grants. Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursement to the grantor agency. Management of BH-HVRDD believes disallowances, if any, will be immaterial.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 5. OPERATING LEASES

BH-HVRDD leases buildings and office equipment under operating leases with terms ranging from 12 to 36 months. Lease payments during fiscal year 2003 were approximately \$64,584. The future minimum payments required under operating leases that have remaining non-cancelable terms in excess of one year are as follows:

<u>Year</u>	<u>Amount</u>
2004	\$ 66,384
2005	33,600
2006	<u>33,600</u>
Total	<u>\$ 133,584</u>

NOTE 6. RELATED PARTY TRANSACTIONS

BH-HVRDD rents office space from the Appalachian Development Corporation. Most board members of Appalachian Development Corporation are also on the board of Buckeye Hills. These rent payments totaled approximately \$33,219 for the fiscal year.

NOTE 7. DEFINED BENEFIT PENSION PLANS - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

All Buckeye Hills-Hocking Valley Regional Development District employees participate in the Public Employees Retirement System (PERS), a cost-sharing, multiple-employer, public employee retirement system administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report which may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4562.

Plan members are required to contribute 8.5 percent of their annual covered salary to fund pension obligations and the Agency was required to contribute 9.35 percent for the fiscal year ended June 30, 2003. Contributions are authorized by state statute. BH-HVRDD's contribution for pension obligations to PERS for the year ended June 30, 2003, 2002, and 2001, were \$150,354, \$153,145, and \$94,785, respectively. Ninety-three percent has been contributed for fiscal year 2003, 92 percent has been contributed for the fiscal year 2002, while 87 percent has been contributed for 2001. For fiscal year 2003, \$12,186 represents the unpaid contribution and is recorded as a liability within the respective funds.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 8. POST-EMPLOYMENT BENEFITS - PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS)

The Public Employees Retirement System of Ohio provides post retirement health care coverage to age and service retirees with ten 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 Post Employment 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 employer contribution rate used to fund health care benefits was 4.2 percent for the fiscal year ended June 30, 2003.

Benefits are advance-funded using the entry age normal cost method. Significant actuarial assumptions, based on PERS's latest actuarial review performed as of December 31, 2000, include a rate of return on investments of 7.75 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between 0.50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 percent annually.

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

There were approximately 400,000 active contributing participants. BH-HVRDD's actual contributions for the fiscal year ended June 30, 2003, which were used to fund post-employment benefits were \$60,998. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2001, (the latest information available) were \$11.60 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$16.40 million and \$4.80 million, respectively.

NOTE 9. ECONOMIC DEVELOPMENT ADMINISTRATION - REVOLVING LOAN FUND

Fund balance is unobligated and consists of the following:

	<u>Federal</u>	<u>Grantee</u>	<u>Total</u>
Outstanding Loan Balances	\$ 226,759	\$ 70,262	\$ 297,021
Cash in Bank	<u>212,578</u>	<u>99,998</u>	<u>312,576</u>
Total Fund Balances	<u>\$ 439,337</u>	<u>\$ 170,260</u>	<u>\$ 609,597</u>

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 10. APPALACHIAN REGIONAL COMMISSION - REVOLVING LOAN FUND

	<u>Federal</u>	<u>Grantee</u>	<u>Total</u>
Outstanding Loan Balances	\$ 970,752	\$ -	\$ 970,752
Allowance for Loan Losses	(26,268)	-	(26,268)
Cash in Bank	<u>504,986</u>	<u>-</u>	<u>504,986</u>
Total Fund Balance	<u>\$ 1,449,470</u>	<u>\$ -</u>	<u>\$ 1,449,470</u>

NOTE 11. UNITED STATES DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT - REVOLVING LOAN FUND

	<u>Federal</u>	<u>Grantee</u>	<u>Total</u>
Outstanding Loan Balances	\$ 54,850	\$ -	\$ 54,850
Cash in Bank	<u>171,326</u>	<u>-</u>	<u>171,326</u>
Total Fund Balance	<u>\$ 226,176</u>	<u>\$ -</u>	<u>\$ 226,176</u>

NOTE 12. GENERAL FIXED ASSETS

Fixed assets were recorded and accumulated depreciation provided as follows:

	<u>Computer Equipment</u>	<u>Furniture</u>	<u>Land</u>	<u>Total</u>
Cost	\$ 269,942	\$ 164,227	\$ 8,000	\$ 442,169
Accumulated Depreciation	<u>(138,574)</u>	<u>(90,208)</u>	<u>-</u>	<u>(228,782)</u>
Net Book Value	<u>\$ 131,368</u>	<u>\$ 74,019</u>	<u>\$ 8,000</u>	<u>\$ 213,387</u>

The summary of changes in general fixed assets account group follows:

	<u>June 30, 2002</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2003</u>
Furniture and fixtures	\$ 174,432	\$ 29,156	\$ (39,361)	\$ 164,227
Computer equipment	251,458	72,909	(54,425)	269,942
Land	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>8,000</u>
Total	<u>\$ 433,890</u>	<u>\$ 102,065</u>	<u>\$ (93,786)</u>	<u>\$ 442,169</u>

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 13. CONTINGENCIES

A. Grants

BH-HVRDD received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of BH-HVRDD at June 30, 2003.

B. Subcontractors

For a majority of the expenditures in the Aging programs, BH-HVRDD contracts with local non-profit agencies and for profit companies to perform the specific services set forth in the grant agreements. BH-HVRDD disburses grant funds to the entities based on monthly performance reports received from each entity. Some of the non-profit Aging subcontractors are required to have an annual independent audit. Under OMB Circular A-133, BH-HVRDD requires each agency to submit a copy of the audit reports. If such audits disclose expenditures not in accordance with the terms of the grants, the grantor agency could disallow the costs and require reimbursement of the disallowed costs either from BH-HVRDD or the delegate agency. BH-HVRDD generally has the right of recovery from the subcontractors.

For the year ended June 30, 2003, agency costs of various amounts were disbursed for which the audits have not been received. Based upon prior experience, management believes that BH-HVRDD will not incur significant losses from possible grant disallowances.

C. Other

BH-HVRDD adopted a Retirement Incentive Plan ("the Plan") on June 26, 2001. It allows for not more than 5 percent of the workforce to elect to participate if they are eligible to retire under the Public Employees Retirement System of Ohio plan. The Retirement Incentive Plan calls for BH-HVRDD to purchase service credits for the employees. BH-HVRDD will have an option to fund the purchase of such credits as a lump sum, or in installment payments. Two employees elected to participate in the Plan during the fiscal year ended June 30, 2002. BH-HVRDD elected to fund the employer's cost in 8 quarterly installments. As of June 30, 2003, the BH-HVRDD's remaining liability under the Plan was \$15,763.

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 14. FUND EQUITY AND OTHER CREDITS

Fund equity and other credits consist of the following:

General Fund:

Local Cash Fund	\$ 585,089	
Buckeye Hills-Hocking Valley Regional Development District Area Agency on Aging	<u>144,032</u>	\$ 729,121

Special Revenue Funds:

Revolving Loan Funds:		
Economic Development Administration	609,597	
Appalachian Regional Commission	1,319,225	
USDA-Rural Development	226,176	
RLF Administration	<u>130,248</u>	<u>2,285,246</u>

General Fixed Assets:

Investment in General Fixed Assets	<u>213,387</u>
Total Fund Equity and Other Costs	<u>\$ 3,227,754</u>

NOTE 15. LONG-TERM OBLIGATIONS

Changes in BH-HVRDD's general long-term obligations during fiscal year 2002 consist of the following:

	Balance June 30, <u>2002</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, <u>2003</u>
Compensated absences	\$ 153,396	\$ 125,014	\$(199,793)	\$ 78,617
Retirement Plan	<u>67,997</u>	<u>-</u>	<u>(52,234)</u>	<u>15,763</u>
Total	<u>\$ 221,393</u>	<u>\$ 125,014</u>	<u>\$(252,027)</u>	<u>\$ 94,380</u>

**BUCKEYE HILLS HOCKING-VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

NOTE 16. SUBSEQUENT EVENT - RLF FUNDING

The cash balance in the Appalachian Regional Commission (ARC) Revolving Loan Fund exceeds the maximum permissible by the grantee. Subsequent to June 30, 2003 ARC notified BH-HVRDD that it was required to remit to the ARC \$156,430 that was not needed for loans or administrative expenses. The amount will be returned to the Revolving Loan Grant held at ARC for use until March 31, 2005. BH-HVRDD will hold additional excess cash in the amount of \$114,927 until March 31, 2003, while attempting to close additional loans and return any unused funds to ARC. The returned funds will be available to BH-HVRDD until September 30, 2005. Any funds that are not required to fund loans by the above dates may be withdrawn from the grant and returned to Ohio's ARC Allocation.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003**

FEDERAL GRANTOR/GRANTOR/PASS THROUGH AGENCY Program Title	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	EXPENDI- TURES
DEPARTMENT OF AGRICULTURE			
Passed through the Ohio Department of Aging:			
Food Distribution Program: USDA Reimbursements	10.570	n/a	<u>\$ 141,562</u>
DEPARTMENT OF COMMERCE			
Direct from Economic Development Administration			
Support for Planning Organization	11.302	n/a	<u>55,000</u>
APPALACHIAN REGIONAL COMMISSION			
Direct from Appalachian Regional Commission			
Technical Assistance 302 (A)	23.011	n/a	119,154
Technical Assistance 302 (A)	23.011	n/a	70,907
Revolving Loan Program	23.011	n/a	<u>244,000</u>
Total Appalachian Regional Commission			<u>434,061</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through the Ohio Department of Aging:			
Special Programs for the Aging - Title III A	93.045	n/a	174,434
Special Programs for the Aging - Title III B	93.044	n/a	371,063
Special Programs for the Aging - Title III C	93.045	n/a	432,019
Special Programs for the Aging - Title III D	93.044	n/a	34,601
Aging Cluster Subtotal			<u>1,012,117</u>
Special Programs for the Aging - Title III E	93.052	n/a	131,000
Special Programs for the Aging - Title VII	93.041	n/a	8,785
Special Programs for the Aging - Home Energy Assistance Program	93.568	n/a	15,294
PASSPORT Program	93.778	n/a	<u>4,764,520</u>
Total Department of Health and Human Services			<u>5,931,716</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 6,562,339</u></u>

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FISCAL YEAR ENDED JUNE 30, 2003**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) summarizes activity of BH-HVRDD's federal award programs. The schedule has been prepared on the modified accrual basis of accounting.

NOTE B - SUBRECIPIENTS

BH-HVRDD passes-through certain Federal assistance received from the Ohio Department of Aging to other governments or not-for-profit agencies (subrecipients). BH-HVRDD records expenditures of Federal awards to subrecipients when services are provided by the subrecipients.

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

NOTE C - REVOLVING LOAN FUND

BH-HVRDD has established a revolving loan program to provide low-interest loans to businesses to create jobs in the region. The Appalachian Regional Commission (ARC), Economic Development Administration (EDA), and the United States Department of Agriculture (USDA) have granted money for these loans to BH-HVRDD. The initial loan of this money is recorded as a disbursement on the accompanying Schedule. Loans repaid, including interest, are used to make additional loans. Such subsequent loans are subject to certain compliance requirements imposed by the grantors. Such ARC loans are included as disbursements on the Schedule.

Collateral for these loans is determined on a case-by-case basis, but includes mortgages on real estate and liens on business equipment and inventory. The gross amount of loans outstanding under these programs at June 30, 2003, is listed in Notes 9, 10, and 11 to the combined financial statements.

NOTE D - MATCHING REQUIREMENTS

Certain Federal programs require that BH-HVRDD contribute non-Federal funds (matching funds) to support the Federally funded programs. BH-HVRDD has complied with the matching requirements.

NOTE E - GRANTOR'S IDENTIFICATION NUMBERS

The Ohio Department of Aging does not issue grant identification numbers to funds passed through its agency. Therefore, there are no identification numbers to list on the Schedule of Expenditures of Federal Awards.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Buckeye Hills-Hocking Valley Regional Development District
Marietta, Ohio

We have audited the general purpose financial statements of Buckeye Hills-Hocking Valley Regional Development District as of and for the year ended June 30, 2003, and have issued our report thereon dated October 17, 2003. 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 Buckeye Hills-Hocking Valley Regional Development District'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 an instance of noncompliance that is required to be reported under *Government Auditing Standards*, which is described in the accompanying Schedule of Findings as item 2003-001.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Buckeye Hills-Hocking Valley Regional Development District'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.



This report is intended solely for the information of the Board of Directors, management, others within the organization, and the 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.

S. H. Snodgrass, A. C.

Wheeling, West Virginia
October 17, 2003

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors
Buckeye Hills-Hocking Valley Regional Development District
Marietta, Ohio

Compliance

We have audited the compliance of Buckeye Hills-Hocking Valley Regional Development District 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 June 30, 2003. Buckeye Hills-Hocking Valley Regional Development District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Buckeye Hills-Hocking Valley Regional Development District's management. Our responsibility is to express an opinion on Buckeye Hills-Hocking Valley Regional Development District'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 with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Buckeye Hills-Hocking Valley Regional Development District'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 Buckeye Hills-Hocking Valley Regional Development District's compliance with those requirements.

In our opinion, Buckeye Hills-Hocking Valley Regional Development District 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 June 30, 2003.

Internal Control Over Compliance

The management of Buckeye Hills-Hocking Valley Regional Development District 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 Buckeye Hills-Hocking Valley Regional Development District'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.

This report is intended solely for the information of the Board of Directors, management, others within the organization, and the 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.

S. N. Snodgrass, A.C.

Wheeling, West Virginia
October 17, 2003

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND
SUMMARY OF AUDITORS' RESULTS
FOR THE YEAR ENDED JUNE 30, 2003**

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

A unqualified opinion has been issued on the financial statements of Buckeye Hills-Hocking Valley Regional Development District as of and for the year ended June 30, 2003, dated October 17, 2003.

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Reportable condition(s) identified not considered to be material weaknesses? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Reportable condition(s) identified not considered to be material weaknesses? Yes No

An unqualified opinion has been issued on the compliance for major programs of Buckeye Hills-Hocking Valley Regional Development District as of and for the year ended June 30, 2003, dated October 17, 2003.

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)? Yes No

Identification of major programs:

CFDA Number

Name of Federal Program

93.778

U.S. Department of Health & Human Services -
Title XIX - Medical Assistance Program

The dollar threshold used to determine major programs was \$300,000.

Buckeye Hills-Hocking Valley Regional Development District qualified as a low-risk auditee for the year ended June 30, 2003.

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND
SUMMARY OF AUDITORS' RESULTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2003**

FINDINGS

Financial Statement Findings in Accordance with GAGAS

Finding Number 2003-001 - Noncompliance

BH-HVRDD received 1,329 shares of common stock in Anthem, Inc. as the result of the demutualization of Anthem Blue Cross and Blue Shield Insurance Company. These shares had a fair value of \$102,535 as of June 30, 2003, and are recorded on the Balance Sheet of BH-HVRDD at that amount as of June 30, 2003. Article VII, Sections 4 and 6 of the Ohio Constitution prohibit public bodies from becoming a "stockholder in any joint stock company, corporation or association." On February 13, 2002 Auditor of State Bulletin 2002-002 was issued stating, in part, that no citation will be issued against a public body that has received stock through the demutualization of an insurance company. However, the Auditor of State recommended that each public body receiving stock should sell the stock at a reasonably prompt and beneficial time at the discretion of the public body. Although BH-HVRDD never received the shares in certificate form, they have been held in the name of BH-HVRDD by a corporate trustee for several months. The shares are actively traded on the New York Stock Exchange and could have been sold through the trustee at any time.

Findings and Questioned Costs for Federal Awards

We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended June 30, 2003.



**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
ADDITIONAL FINANCIAL INFORMATION
JUNE 30, 2003**

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Statements of Indirect Costs and Statements of Revenue, Expenditures, and Changes in Fund Balance for the various funds contained on pages 31 through 54 are presented for the purpose of additional analyses and are not a required part of the basic financial statements. This information is the responsibility of the BH-HVRDD's management. 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.

S. R. Snodgrass, A.C.

Wheeling, West Virginia
October 17, 2003

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF INDIRECT COSTS
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>ACTUAL</u>
Salaries	\$ 151,925
Fringe Benefits	82,914
Total Salaries and Fringe Benefits	234,839
Data Processing	4,024
Travel	20,679
Equipment Lease	1,020
Equipment Purchase	16,155
Other Costs	689
Contractual Services	586
Equipment Maintenance	8,419
Communications	10,871
Insurance and Bonding	4,591
Organizational Dues	5,873
Subscriptions	926
Audit Costs	7,000
Legal Costs	3,153
Space	17,000
Supplies	13,203
Postage	3,640
Printing & Duplicating	721
Governing Board Expense	4,172
Total Other Indirect Costs	122,722
Total Indirect Costs	\$ 357,561

	<u>Pool Cost</u>	<u>Base</u>	<u>Rate</u>
Salaries and Fringe Benefits	\$234,839	\$ 1,192,016	22.2280%
Other Indirect Costs	\$122,723	\$ 467,025	19.8275%
			42.0555%

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 2003**

AGING ADMINISTRATION GRANT 207 (A) - CY'2003

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	74,497	52,005
Employee Benefits	36,631	28,223
Travel	9,150	7,524
Equipment	5,500	-
Supplies	3,500	1,208
Contractual Services	750	-
Other Direct Costs	17,351	15,571
Indirect Costs	<u>28,065</u>	<u>24,126</u>
Total Expenditures	<u>175,444</u>	<u>128,657</u>
Deficiency of Revenues over Expenditures	(175,444)	(128,657)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>175,444</u>	<u>128,657</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2002**

AGING ADMINISTRATION GRANT - 207A - CY 2002

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	80,409	63,024
Employee Benefits	38,171	34,461
Travel	11,734	7,270
Equipment	13,000	2,795
Supplies	2,525	6,989
Contractual	1,000	3,875
Other Direct Costs	11,150	13,545
Indirect Costs	<u>27,995</u>	<u>24,250</u>
Total Expenditures	<u>185,984</u>	<u>156,209</u>
Deficiency of Revenues over Expenditures	(185,984)	(156,209)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>185,984</u>	<u>156,209</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 2003**

**ARC 302(A) CY'2003
GRANT NO. OH-0707B-C32-302**

	BUDGET	ACTUAL
REVENUES		
Federal Grants	\$ 88,333	\$ 70,907
State Grants	29,445	48,939
Total Revenues	117,778	119,846
EXPENDITURES		
Employee Benefits	23,624	28,106
Travel	8,250	10,021
Supplies	1,500	231
Contractual	6,250	-
Other Direct Costs	658	286
Indirect Costs	22,094	26,037
Total Expenditures	62,376	64,681
Excess of Revenues over Expenditures	\$ 55,402	\$ 55,165

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2002**

**ARC 302 (A) CY 2002
GRANT NO. OH-0707B-02-C31-302**

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES		
Federal Grants	\$ 89,178	\$ 89,178
State Grants	83,677	98,153
Local Funds	<u>5,500</u>	<u>-</u>
Total Revenues	<u>178,355</u>	<u>187,331</u>
EXPENDITURES		
Personnel	78,657	88,999
Employee Benefits	46,844	43,224
Travel	5,862	5,469
Supplies	11,263	13,597
Other Direct Costs	3,797	1,797
Indirect Costs	<u>31,932</u>	<u>34,245</u>
Total Expenditures	<u>178,355</u>	<u>187,331</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 2003**

LONG TERM CARE OMBUDSMAN PROGRAM - CY'2003

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES		
Personnel	16,800	16,029
Employee Benefits	7,000	6,438
Travel	2,750	1,747
Supplies	1,500	63
Other Direct Costs	3,996	425
Indirect Costs	<u>6,415</u>	<u>7,328</u>
Total Expenditures	<u>38,461</u>	<u>32,030</u>
Deficiency of Revenues over Expenditures	(38,461)	(32,030)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>38,461</u>	<u>32,030</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2002**

LONG TERM CARE OMBUDSMAN PROGRAM - CY 2002

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	25,211	16,402
Employee Benefits	10,000	8,132
Travel	2,252	1,987
Supplies	1,750	1,781
Other Direct Costs	2,549	756
Indirect Costs	<u>7,852</u>	<u>6,311</u>
Total Expenditures	<u>49,614</u>	<u>35,369</u>
Deficiency of Revenues over Expenditures	(49,614)	(35,369)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>49,614</u>	<u>35,369</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 2003**

ODA HOUSING GRANT - CY'2003

	BUDGET	ACTUAL
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	14,426	14,743
Employee Benefits	8,336	8,336
Travel	2,500	2,499
Indirect Costs	6,738	6,740
Total Expenditures	32,000	32,318
Deficiency of Revenues over Expenditures	(32,000)	(32,318)
OTHER FINANCING SOURCES (USES)		
Transfers In	32,000	32,318
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2002**

ODA HOUSING GRANT - CY 2002

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	14,727	15,086
Employee Benefits	5,521	8,666
Travel	2,600	2,205
Other Direct Costs	82	81
Indirect Costs	<u>5,691</u>	<u>5,804</u>
Total Expenditures	<u>28,621</u>	<u>31,842</u>
Deficiency of Revenues over Expenditures	(28,621)	(31,842)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>28,621</u>	<u>31,842</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

**ECONOMIC DEVELOPMENT ADMINISTRATION
GRANT NO. 06-83-04704**

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES		
Federal Grants	\$ 55,000	\$ 55,000
State Grants	<u>18,333</u>	<u>21,240</u>
Total Revenues	<u>73,333</u>	<u>76,240</u>
EXPENDITURES		
Personnel	36,783	36,696
Employee Benefits	16,000	15,927
Travel	3,510	3,508
Supplies	1,000	3,642
Other Direct Costs	540	1,034
Indirect Costs	<u>15,500</u>	<u>15,433</u>
Total Expenditures	<u>73,333</u>	<u>76,240</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

REVOLVING LOAN FUND PROGRAM

	BUDGET	ACTUAL
REVENUES	\$ -	\$ -
EXPENDITURES		
Travel	11,664	11,664
Other Direct Costs	462	462
Total Expenditures	12,126	12,126
Deficiency of Revenues over Expenditures	(12,126)	(12,126)
OTHER FINANCING SOURCES (USES)		
Transfers In	12,126	12,126
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 2003**

**ODA - NUTRITION PROGRAM
CY'2003**

	BUDGET	ACTUAL
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	20,000	14,844
Employee Benefits	9,035	5,960
Travel	2,500	1,257
Supplies	250	-
Other Direct Costs	79	640
Indirect Costs	7,976	6,932
Total Expenditures	39,840	29,633
Deficiency of Revenues over Expenditures	(39,840)	(29,633)
OTHER FINANCING SOURCES (USES)		
Transfers In	39,840	29,633
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2002**

ODA - NUTRITION PROGRAM

	BUDGET	ACTUAL
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	18,970	19,266
Employee Benefits	7,333	7,429
Travel	2,600	1,596
Supplies	400	290
Other Direct Costs	116	39
Indirect Costs	7,226	7,413
Total Expenditures	36,645	36,033
Deficiency of Revenues over Expenditures	(36,645)	(36,033)
OTHER FINANCING SOURCES (USES)		
Transfers In	36,645	36,033
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

**ARC EXPORT ASSISTANCE & TRADE READINESS
CONTRACT NO. OH-12967-C1**

	BUDGET	ACTUAL
REVENUES		
Federal Grants	\$ 32,500	\$ 19,341
State Grants	26,100	15,824
Total Revenues	58,600	35,165
EXPENDITURES		
Personnel	4,600	4,588
Employee Benefits	2,000	1,925
Travel	950	927
Contractual	49,500	26,207
Indirect Costs	1,550	1,518
Total Expenditures	58,600	35,165
Excess of Revenues over Expenditures	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE GRANT PERIOD JULY 1, 2002 - JUNE 30, 2003**

PASSPORT PROGRAM

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES		
Personnel	721,394	724,991
Employee Benefits	392,904	390,915
Travel	60,500	59,919
Equipment	111,400	109,855
Supplies	32,000	30,595
Contractual	11,000	10,674
Space	33,500	33,219
Other Direct Costs	105,773	93,010
Indirect Costs	<u>162,922</u>	<u>161,151</u>
Total Expenditures	<u>1,631,393</u>	<u>1,614,329</u>
Deficiency of Revenues over Expenditures	(1,631,393)	(1,614,329)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>1,631,393</u>	<u>1,614,329</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

RESIDENTIAL STATE SUBSIDY GRANT

	BUDGET	ACTUAL
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	13,116	13,116
Employee Benefits	7,115	7,005
Travel	592	592
Supplies	45	45
Other Direct Costs	15	15
Indirect Costs	5,237	5,516
Total Expenditures	26,120	26,289
Deficiency of Revenues over Expenditures	(26,120)	(26,289)
OTHER FINANCING SOURCES (USES)		
Transfers In	26,120	26,289
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 2003**

CAREGIVER/CARE COORDINATION - CY 2003

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	14,919	14,187
Employee Benefits	8,023	8,023
Travel	3,000	2,733
Supplies	654	56
Other Direct Costs	1,944	1,332
Indirect Costs	<u>6,791</u>	<u>6,476</u>
Total Expenditures	<u>35,331</u>	<u>32,807</u>
Deficiency of Revenues over Expenditures	(35,331)	(32,807)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>35,331</u>	<u>32,807</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED DECEMBER 31, 2002**

CAREGIVER/CARECOORDINATION - CY 2002

	BUDGET	ACTUAL
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	14,130	14,234
Employee Benefits	6,632	8,176
Travel	901	1,943
Supplies	6,320	6,013
Other Direct Costs	224	882
Indirect Costs	5,684	5,477
Total Expenditures	33,891	36,725
Deficiency of Revenues over Expenditures	(33,891)	(36,725)
OTHER FINANCING SOURCES (USES)		
Transfers In	33,891	36,725
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE SIX MONTHS ENDED JUNE 30, 2003**

**COMMUNITY DEVELOPMENT PROGRAM
CY'2003**

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES		
Federal Grants	\$ -	\$ -
State Grants	<u>64,504</u>	<u>67,355</u>
Total Revenues	<u>64,504</u>	<u>67,355</u>
EXPENDITURES		
Personnel	30,797	33,229
Employee Benefits	15,022	15,593
Travel	3,000	2,172
Equipment	2,153	-
Supplies	250	315
Contractual	-	-
Other Direct Costs	1,000	1,725
Indirect Costs	<u>12,282</u>	<u>14,321</u>
Total Expenditures	<u>64,504</u>	<u>67,355</u>
Excess of Revenues over Expenditures	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

COALA TRAINING PROGRAM

	BUDGET	ACTUAL
REVENUES	\$ -	\$ -
EXPENDITURES		
Supplies	52	52
Total Expenditures	52	52
Deficiency of Revenues over Expenditures	(52)	(52)
OTHER FINANCING SOURCES (USES)		
Transfers In	52	52
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE GRANT YEAR JANUARY 1, 2002 - DECEMBER 31, 2002**

AGING ADMINISTRATION GRANT FOR CY'2002

	BUDGET	ACTUAL
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	156,709	118,238
Employee Benefits	73,918	59,342
Travel	23,809	13,503
Equipment	28,500	25,029
Supplies	3,938	8,503
Contractual Services	2,000	3,875
Other Direct Costs	28,800	27,351
Indirect Costs	54,306	45,230
Total Expenditures	371,980	301,071
Deficiency of Revenues over Expenditures	(371,980)	(301,071)
OTHER FINANCING SOURCES (USES)		
Transfers In	371,980	301,071
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE GRANT YEAR JANUARY 1, 2002 - DECEMBER 31, 2002**

**ARC 302 (A) CY 2001
GRANT NO. OH-0707B-02-C31-302**

	BUDGET	ACTUAL
REVENUES		
Federal Grants	\$ 178,355	\$ 178,355
State Grants	167,355	181,464
Total Revenues	345,710	359,819
EXPENDITURES		
Personnel	173,221	173,220
Employee Benefits	85,000	84,297
Travel	15,863	15,863
Supplies	12,263	16,118
Other Direct Costs	4,100	4,070
Indirect Costs	66,263	66,251
Total Expenditures	356,710	359,819
Excess of Revenues over Expenditures	\$ -	\$ -

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE GRANT YEAR JANUARY 1, 2002 - DECEMBER 31, 2002**

LONG TERM CARE OMBUDSMAN PROGRAM - CY'02

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	50,421	39,373
Employee Benefits	20,000	19,798
Travel	5,927	5,188
Supplies	2,500	2,147
Other Direct Costs	4,745	1,678
Indirect Costs	<u>17,006</u>	<u>15,049</u>
Total Expenditures	<u>100,599</u>	<u>83,233</u>
Deficiency of Revenues over Expenditures	(100,599)	(83,233)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>100,599</u>	<u>83,233</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE GRANT YEAR JANUARY 1, 2002 THROUGH DECEMBER 31, 2002**

ODA HOUSING GRANT - CY'2002

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	\$ -	\$ -
EXPENDITURES		
Personnel	30,217	29,399
Employee Benefits	14,801	14,612
Travel	4,600	4,597
Other Direct Costs	82	81
Indirect Costs	<u>11,300</u>	<u>11,249</u>
Total Expenditures	<u>61,000</u>	<u>59,938</u>
Deficiency of Revenues over Expenditures	(61,000)	(59,938)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>61,000</u>	<u>59,938</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - SPECIAL REVENUE FUND
FOR THE GRANT YEAR JANUARY 1, 2002 - DECEMBER 31, 2002**

CAREGIVER/CARECOORDINATION - CY 2002

	<u>BUDGET</u>	<u>ACTUAL</u>
REVENUES	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES		
Personnel	27,740	27,738
Employee Benefits	14,079	14,077
Travel	3,907	3,907
Equipment	-	-
Supplies	6,820	7,071
Contractual	-	-
Other Direct Costs	900	157
Indirect Costs	<u>10,625</u>	<u>10,624</u>
Total Expenditures	<u>64,071</u>	<u>63,574</u>
Deficiency of Revenues over Expenditures	(64,071)	(63,574)
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>64,071</u>	<u>63,574</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BUCKEYE-HILLS HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2003**

LOCAL CASH FUND

	ACTUAL
REVENUES	
State Grants	\$ 11,452
Economic Development Administration	7,000
Insurance Claim Refund	870
Local Funds	30,500
Interest Income	2,287
Miscellaneous Income	6,016
Total Revenues	58,125
EXPENDITURES	
Travel	174
Supplies	498
Space	11,452
Other Direct Costs	11,381
Local Cash Applied	5,006
Total Expenditures	28,511
Excess of Revenues over Expenditures	29,614
FUND BALANCE AT JUNE 30, 2002	452,945
FUND BALANCE AT JUNE 30, 2003	\$ 482,559

**BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT
TITLE III, VII AND SENIOR COMMUNITY SERVICES BLOCK GRANT
SUMMARY OF GRANT CARRYOVER
FOR GRANTS ENDED DECEMBER 31, 2002
FOR THE YEAR ENDED DECEMBER 31, 2002**

Prgoram	CFDA#	Beginning Carryover	New Grant Award 2002	Grant Expenditures	Other Revenue Expendi- tures	Ending Carryover
III-A	93.045	\$ 35,836	\$ 207,602	\$ 197,866	\$ -	\$ 45,572
III-B	93.044	11,077	-	9,000	-	2,077
III-B Outreach	93.044	1,573	12,500	11,077	-	2,996
III C-1	93.045	1,573	240,039	213,421	-	28,191
III C-2	93.045	7,010	265,738	247,278	-	25,470
III D	93.043	10,625	31,539	33,512	-	8,652
III E-Admin	93.052	10,859	11,475	15,442	-	6,892
III E-Service	93.052	72,833	103,279	78,372	-	97,740
VII EAP	93.041	-	5,985	5,340	-	645
VII OMBUD	93.041	9,000	2,789	11,510	-	279
NSIP	10.570	-	123,408	123,408	-	-
USDA-Sen Farmers Mkt	10.570	-	6,060	6,060	-	-
BG Admin	-	-	106,519	106,519	-	-
BG Serv	-	-	419,868	419,868	-	-
Bed Fees	-	8,161	7,707	11,825	-	4,043
Home Care	-	-	49,656	49,656	-	-
Totals		<u>\$ 168,547</u>	<u>\$ 1,594,164</u>	<u>\$ 1,540,154</u>	<u>\$ -</u>	<u>\$ 222,557</u>



**Auditor of State
Betty Montgomery**

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BUCKEYE HILLS-HOCKING VALLEY REGIONAL DEVELOPMENT DISTRICT

WASHINGTON 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
JANUARY 27, 2004**