



**Auditor of State
Betty Montgomery**

**FINANCIAL CONDITION
KNOX COUNTY**

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KNOX COUNTY

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

Federal Program	CFDA #	Pass-through Agency Awarding Number	Disbursements
United States Department of Transportation:			
Passed-through Ohio Department of Transportation:			
Highway Planning and Construction Grant	20.205	02N083	\$ 473,028
		01N150	371,447
		02N048	<u>1,410,923</u>
Total U.S. Department of Transportation			<u>2,255,398</u>
United States Department of Education:			
Passed-through Ohio Department of Education:			
Special Education Cluster:			
Special Education Grants to States	84.027	066076-6B-SF-02P	8,546
Special Education - Preschool Grant	84.173	066076-PG-SC-02P	<u>2,496</u>
Total Special Education Cluster			<u>11,042</u>
Total U.S. Department of Education			<u>11,042</u>
United States Department of Labor:			
Passed-through Ohio Department of Job and Family Services:			
Workforce Investment Act - Adult			241,537
Workforce Investment Act - Adult Administrative			<u>43,335</u>
Workforce Investment Act - Adult Total	17.258	N/A	284,872
Workforce Investment Act - Youth			158,258
Workforce Investment Act - Youth Administrative			<u>36,557</u>
Workforce Investment Act - Youth Total	17.259	N/A	194,815
Workforce Investment Act - Dislocated Worker			101,951
Workforce Investment Act - Dislocated Worker Administrative			<u>16,071</u>
Workforce Investment Act - Dislocated Worker Total	17.260	N/A	118,022
Total United States Department of Labor			<u>597,709</u>
United States Department of Health and Human Services:			
Passed-through Ohio Department of Mental Retardation:			
Title XX	93.667	N/A	40,297
Medical Assistance Program	93.778	N/A	<u>725,718</u>
Total U.S. Department of Health and Human Services			<u>766,015</u>
United States Department of Federal Emergency Management Agency:			
Passed through Ohio Department of Public Safety:			
Emergency Management Performance Grant	83.552	OH-01-001	<u>80,031</u>
Total U.S. Department of Federal Emergency Management Agency			<u>80,031</u>
United States Department of Justice			
Passed through the Ohio Attorney General:			
Victims of Crime Assistance	16.575	2002VAGENE334	<u>30,299</u>
Total U.S. Department of Justice			<u>30,299</u>
United States Department of Housing and Urban Development:			
Passed through Ohio Department of Development:			
HOME Investment Partnerships Program	14.239	BC-00-039-2	<u>79,084</u>
Community Development Block Grant / State's Program	14.228	BF-01-039-1	135,009
		BC-00-039-1	58,227
			<u>878</u>
Total Community Development Block Grant / State's Program			<u>194,114</u>
Total U.S. Department of Housing and Urban Development			<u>273,198</u>
Total			<u>\$ 4,013,692</u>

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

**FINANCIAL CONDITION
KNOX COUNTY**

FISCAL YEAR ENDED DECEMBER 31, 2002

NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

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

Knox County (the County) has established a revolving loan program to provide low-interest loans to businesses to create jobs for persons from low-moderate income households. 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 was recorded as a disbursement on 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 mortgages on the property. At December 31, 2002 the gross amount of loans outstanding under this program was \$57,771.

NOTE C – MATCHING REQUIREMENTS

Certain federal programs require 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 D – PASS THROUGH ENTITY NUMBERS

Those federal programs where the grant agreement did not identify a pass-through number are noted with an N/A.



**Auditor of State
Betty Montgomery**

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

Knox County
117 East High Street
Mount Vernon, Ohio 43050

To the Board of County Commissioners:

We have audited the general-purpose financial statements of Knox County, Ohio, (the County) as of and for the year ended December 31, 2002, and have issued our report thereon dated June 30, 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 the County's general-purpose 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the County in a separate letter dated June 30, 2003.

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 general-purpose 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 general-purpose 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 June 30, 2003.

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Board of County Commissioners
Knox County
Report of Independent Accountants on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of management, the 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

June 30, 2003



**Auditor of State
Betty Montgomery**

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

Knox County
117 East High Street
Mount Vernon, Ohio 43050

To the Board of County Commissioners:

Compliance

We have audited the compliance of Knox 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 its major federal program for the year ended December 31, 2002. The County's major federal program is 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 its major federal program 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 its major federal program 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.

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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.

Schedule of Federal Awards Expenditures

We have audited the general-purpose financial statements of the County as of and for the year ended December 31, 2002, and have issued our report thereon dated June 30, 2003. Our audit was performed for the purpose of forming an opinion on the general-purpose 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 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.

This report is intended for the information and use of management, the 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

June 30, 2003

**FINANCIAL CONDITION
KNOX COUNTY**

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

DECEMBER 31, 2002

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):	Highway Planning and Construction Grant – CFDA #20.205
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(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 AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

Knox County, Ohio

Comprehensive Annual Financial Report

**For the Year Ended December 31,
2002**

**Margaret Ann Ruhl
Knox County Auditor**

Prepared by Knox County Auditor's Office:

**Sharon A. Lamb
Deputy Auditor**

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Knox County, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2002

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Knox County, Ohio

Comprehensive Annual Financial Report
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Knox County, Ohio

Comprehensive Annual Financial Report
For the Year Ended December 31, 2002

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KNOX COUNTY AUDITOR

MARGARET ANN RUHL
Knox County Auditor
Phone (740) 393-6750

117 East High Street, Suite 120
Mount Vernon, Ohio 43050
Fax (740) 393-6806

June 30, 2003

To the Citizens of Knox County
and to The Board of County Commissioners:
the Honorable Thomas C. McLarnan
the Honorable Robert S. Wise
the Honorable Allen D. Stockberger:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Knox County, Ohio, for the year ended December 31, 2002. This report was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and provides full and complete disclosure of the financial position and operations of the County for the year ended December 31, 2002. The information contained in this report will assist County officials in making management decisions and will provide the taxpayers of Knox County with comprehensive financial data in a format that will enable them to gain a true understanding of the County's financial affairs. The general public as well as investors will be able to compare the financial position of Knox County and the results of its operations with other governmental entities. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the County, specifically the County Auditor's Office.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The introductory section includes this transmittal letter, the County's organization chart, a list of elected officials in the County and the Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the Report of Independent Accountants, general purpose financial statements and the combining and individual fund and account group financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Reporting Entity

Knox County was created in 1808. The County has only those powers conferred upon it by Ohio statutes. A three-member board of County Commissioners is elected at large in even-numbered years for overlapping four-year terms. The Commissioners serve as the taxing authority, the contracting board, and the chief administrators of public services for the County. The Board of Commissioners

creates and adopts the annual operating budget and makes the annual appropriation measure for expenditures of all County funds. In addition to the Board of Commissioners, the offices of County Auditor and County Treasurer are grouped under the category of general government and are of particular importance to the financial affairs of the County.

The County Auditor is elected to a four year term and has as one of her most important functions, the task of assessing real property for tax purposes. Under state law, a complete reappraisal must be conducted every six years as well as a triennial update every third year between reappraisals. After the County Treasurer collects taxes, the County Auditor is responsible for distributing certain taxes to various government units. The Auditor is also the chief fiscal officer of the County, and no County contract or obligation may be made without her certification that funds for that contract or obligation have been lawfully appropriated, are available for payment, or are in the process of collection. In addition, no account may be paid except by the Auditor's warrant drawn upon the County treasury. The Auditor is responsible for the County payroll and has other statutory accounting responsibilities. The Auditor is also in charge of the County's bond retirement fund. She is, by state law, secretary of the County Board of Revision and the County Budget Commission, and the administrator and supervisor of the County Data Processing Board. In 2002, the Auditor employed ten full-time and one part-time employees.

The County Treasurer is required by state law to collect certain locally assessed taxes. She is the distributing agent for expenditures authorized by the Board upon the Auditor's warrant. The Treasurer must make daily reports showing receipt, payments and balances to the County Auditor, and the books of account must always balance with those of the County Auditor. The Treasurer is responsible for investing all funds of the County. The Treasurer is elected to a four year term and in 2002 employed four full-time and two part-time employees. The Treasurer is a member of the County Board of Revision. In addition, the Treasurer, the Auditor and the Prosecuting Attorney form the County Budget Commission which plays an important part in the financial administration of County government as well as all local governments throughout the County.

The County Prosecuting Attorney is elected to a four year term and is responsible for all legal matters for the County and Township officials. He prosecutes all felonies, child support delinquencies and tax foreclosures. The office is also the contact for victim assistance. In 2002, the Prosecuting Attorney employed three attorneys and four full-time employees.

The County Recorder is elected to a four year term and is responsible for recording all deeds, mortgages, and liens. The Recorder oversees the Microfilm/Retention Office and is Secretary of the Records Retention Board and the Microfilm Board for the County. In addition to the Recorder, the office employs five other full-time workers. In 2002, the State of Ohio changed the regulations in filing of financial statements for personal property. As of July 1, 2002, these filings are completed with the Secretary of State. Due to this change, the recorder's office had a decrease of 1,513 documents, but still totaled 18,556 documents for 2002 that they recorded.

The County Engineer is elected to a four year term and employs forty full-time employees who work in four major divisions under the Engineer. The Office Division is responsible for the tax map department and office operation. The Road Division is responsible for maintenance and upkeep of all the County roads, including resurfacing. The Bridge Division is responsible for the replacement and inspection of all bridges. The Garage Division is responsible for road signs on all County roads and maintenance on all vehicles.

The County Sheriff is elected to a four year term and is the head of six divisions. Nineteen full-time employees and one K-9 unit makes up the Patrol Division which provides protection for a total of 532 square miles of Knox County. The ten full-time employees of the Communications Division handle Enhanced 9-1-1 dispatching and are responsible for all communications for Knox County. The Detective Division consists of four full-time employees who are responsible for investigating all major criminal cases in Knox County. The Jail Division consists of twenty-six full-time employees who run a full service jail which houses both adult male and female prisoners charged with or convicted of felony and misdemeanor offenses. The Civil Process Division, which has three full-time employees and is responsible for serving all court processes. The last is the Community Relations Division, which has three full-time employees and is responsible for coordinating the county's neighborhood watch program, providing the Drug Abuse Resistance Education program in all city and county elementary schools as well as some junior high schools, operating the bicycle patrol on the Kokosing Gap Bike Trail and providing crime prevention and other public awareness programs.

The Clerk of Courts is elected to a four year term and is responsible for the Legal Division and the Title Division. The Legal Division's main function is to file, process and preserve papers for cases that will be handled by the Knox County Common Pleas Court and Fifth District Court of Appeals. The Legal Division has seven full-time employees and received 931 cases filed in 2002. The Title Division has four full-time employees, with a main function to issue vehicle titles, which serve as a person's only proof of ownership. In 2002, 31,523 titles were issued, a 5.7% increase over 2001.

The Knox County Common Pleas Judge is elected to a six year term and is responsible for hearing all domestic relations, criminal and civil cases.

The Knox County Common Pleas Probate and Juvenile Judge is elected to a six year term and is responsible for hearing all probate and juvenile cases. In 2002, the estate cases totaled 301, which was a decrease of 57 cases over 2001. Overall cases filed in Probate Court totaled 853 in 2002, which was an increase of 7 over 2001. In 2002, the Juvenile Court cases filed totaled 1,223, which was a decrease of 211 over 2001. This court also performs miscellaneous tasks such as assigning foreign judges and appointing the Dog Warden and members to the Board of Mental Retardation and Developmental Disabilities, and the Knox County Metropolitan Housing Authority. The Probate Court houses old birth, death and marriage records where many people work on genealogy research.

The Knox County Coroner is elected to a four year term and is responsible for certifications of deaths. He orders autopsies and investigates suspicious deaths.

The Board of Elections is a statutory board, the same as the budget commission and the board of revision, with the exception that this board has no elected officials as board members. The four member board, made up of two Republicans and two Democrats, meets monthly to conduct board business. The Board of Elections oversees all primary, general and special elections. Registered voters in 2002, totaled 31,630, a 3.00 percent increase over 2001.

The County provides its citizens with a wide range of services that include job and family services, health and community assistance related services, and other general and administrative support services. The County also operates enterprise funds which include water and wastewater systems and the landfill. For financial reporting purposes, the County's reporting entity includes the primary government, which is comprised of all funds, account groups, agencies, boards and commissions that make up the County's legal entity, component units, which are legally separate organizations which are fiscally dependent on the County or for which the County is financially accountable, and any activities that need to be included to insure that the financial statements are complete and not misleading.

The County's reporting entity includes the financial activities of the County Board of Mental Retardation and Developmental Disabilities. The mission of this Board is to establish supports focused on the individual which will provide opportunities for informed choices. These choices will provide an opportunity for individuals to plan their futures in where they live, work, learn and develop social relationships. In 2002, the early intervention program, which is for children from 0 to 2 years of age, enrolled 21 children. The early childhood program, which is for children from 3 to 5 years of age, enrolled 26 children. The Board also works with school age children and provides adult services through Knox New Hope Industries. Currently, the Knox New Hope School and Industries helps 325 people. Knox New Hope Industries, a not-for-profit corporation, is included as a component unit of the County, as is the Knox County Airport. Both have significant ties to the County.

Excluded from the reporting entity because they are fiscally independent of the County are the Knox County Board of Education, the Knox County Humane Society, the Knox County Agricultural Society, the Knox County Extension Services, Knox County Park District, Knox County Regional Planning Commission and the Kno-Ho-Co Community Action Commission.

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

The Emergency Management Agency, the Alcohol and Drug Addiction and Mental Health Board, and the Eastern Ohio Housing Corporation are governmental joint ventures. The Joint Solid Waste District, the Mid Eastern Ohio Regional Council, the Morrow-Ashland-Richland-Knox Job Training Partnership Act, and Licking-Muskingum Community Based Correctional Facility (CBCF) are jointly governed organizations.

The Mid Ohio Transit Authority and the Public Library of Mount Vernon and Knox County are Related Organizations. These organizations are discussed in Notes 1, 10 and 11 of the notes to the General Purpose Financial Statements.

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

Economic Condition and Outlook

Lowes Home Improvement has been a bright spot in our community with the destruction of the old Ames Store and replacing this building with a new structure to be opened in late 2003. Ruby Tuesday's is a new restaurant opened in the spring of 2003, providing us with a choice from fast food restaurants on Coshocton Avenue. Owens Corning has made a decision to remove their production of insulation from the Knox County area until the economy changes. No decision has been made as to what they plan to do with their building.

Knox County is experiencing growing pains with many new families moving here. This is evident with the construction or plans of constructing new school buildings. Danville Local School District was the first school district to complete its building project through funding by the Ohio School Facilities Commission. They built a new kindergarten through eighth grade building with the opening in October 2002. Fredericktown and Centerburg Local School Districts are following suit by starting their new buildings. They plan to open their doors in late 2003 or 2004.

Knox County opened the new Opportunity Knox Center on Coshocton Avenue. This division of the Department of Job and Family Services built the new facility in 2002, which replaced the dilapidated old children's home. Also, this gave some additional space in the Knox County Service Center.

One down side was the closing of the Quality Farm and Fleet Store. This makes another empty building on Coshocton Avenue. The Chamber of Commerce is working to get this building filled, as this building is not very old of a structure.

Six townships and two villages combined their volunteer fire departments to form the Eastern Knox County Joint Fire Department. A five (5) mill levy was passed to make this department full time and not a volunteer department. This will help with better response to emergencies, especially during the daytime.

Knox County's total labor force for 2002 averaged 26,500 compared to 26,600 for 2001. Of the total labor force, 24,800 were employed, and 1,700 or 6.7 percent were unemployed. This compares to 25,600 employed, and 1,000 or 3.7 percent unemployed in 2001.

Employee Relations

Knox County has four separate unions, whose labor contracts commence at various times. The County Engineer has twenty-nine members in the American Federation of State, County and Municipal Employees (A.F.S.C.M.E.) Local 2803. This contract commenced July 1, 2001, and it will expire on June 30, 2004.

The County Sheriff had forty-four members in the Fraternal Order of Police, Ohio Labor Council, Inc. This contract was signed for a three-year period. It will expire on December 31, 2005.

The Department of Human Services has sixty-one members in the A.F.S.C.M.E. Local 657. This contract will commence on July 1, 2003 for a three year period and expires on June 30, 2006.

The Emergency Management 9-1-1 has nineteen members in the Fraternal Order of Police, Ohio Labor Council, Inc. This contract commenced January 1, 2001 for a three year period. It expires on December 31, 2003. The remaining departments along with department heads are not represented by any union.

Major Initiatives

The new Justice Center (County Jail) was completed in November 2002. All prisoners were moved from the old jail to the new jail by December 2002. The center is a 100 bed jail with the Sheriff's Office, 9-1-1 Communications Center and the County Emergency Management Agency, located on Upper Gilchrist Road. Discussion continues as to what to do with the old jail, being to renovate the Sheriff's residence and demolish the jail portion or demolish the whole building for parking. This decision should be made by the summer of 2003.

The Geographic Information System (G.I.S.) is a computerization of tax maps and the layering of statistical information. The Tax Map Department is fully operational with the G.I.S. system. This digitized system should reduce the time and effort to keep the tax maps updated with all the changes taking place. This department will be fully responsible for maintenance (recording changes) of the G.I.S. system in steps of one-third of the twenty-two townships by January 2003, the next on-third by July 2003 and all townships by December 2003. The Auditor's Office is working with the Tax Map Department in keeping all parcel information up to date.

In 2002, the Engineering Department, bridge program, completely replaced seven bridges within the county. Currently, they are working on replacing two additional bridges and one shared cost replacement bridge with Morris Township. Several safety projects were completed being sight improvements at several intersections, road widening and cutting banks and trees for better vision. These safety projects will be continued in 2003.

The Knox County Dog Pound is in need of replacement. If the economy improves, this project will be brought to the top of new projects in late 2003 or beginning of 2004.

Financial Information

Basis of Accounting

The County's accounting system is organized on a "fund" basis. Each fund or account group is a distinct self-balancing accounting entity. For financial reporting purposes the accounting records are converted to the modified accrual basis for all Governmental and Fiduciary funds. Revenues are recognized when measurable and available; expenditures are recognized when goods and services are

received. Accounting records for the County's proprietary funds are reported on the accrual basis. Revenues are recognized when measurable and earned; expenses are recognized when incurred. The two bases of accounting and the various funds and account groups utilized by Knox County are fully described in Note 2 to the General Purpose Financial Statements.

Internal Controls

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 cost of internal accounting controls should not exceed the benefits expected to be derived from their implementation.

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

Budgetary Control

The Board of County Commissioners adopts an annual appropriation measure for the County at the end of December for the coming year. This appropriation is sometimes called a temporary appropriation. Usually by mid-February but before April 1, a supplemental appropriation is approved which takes into consideration the balances left from the prior year as well as any revisions in revenue estimated for the current year. All disbursements and transfers of cash between funds require appropriation authority.

Budgets are controlled at the object level within a department and fund. Purchase orders are approved by the department heads, and in many cases, by the Commissioners for departments under their control and are encumbered prior to their release to vendors. Those purchase orders which exceed the available appropriations are rejected until additional appropriations are secured. A computerized certification system allows the Auditor's Office to ascertain the status of a department's appropriation prior to authorizing additional purchases from a particular account.

General Government Functions - Financial Highlights

The following schedules present a summary of general fund, special revenue funds, debt service funds, and capital projects funds revenues and expenditures for the year ended December 31, 2002, and the amount and percentage of increases (decreases) in relation to prior year revenues and expenditures.

	<u>2002</u>	<u>2001</u>	<u>Increase (Decrease)</u>	<u>Percent of Total 2002</u>
<u>Revenues</u>				
Taxes	\$ 9,728,904	\$ 9,787,810	\$ (58,906)	30.66%
Charges for Services	2,983,209	2,836,828	146,381	9.40
Licenses and Permits	108,978	117,776	(8,798)	.34
Fines and Forfeitures	82,526	66,336	16,190	.26
Intergovernmental	17,011,475	20,708,975	(3,697,500)	53.60
Special Assessments	185,399	404,081	(218,682)	.58
Interest	390,210	1,536,669	(1,146,459)	1.23
Other	<u>1,246,036</u>	<u>1,070,933</u>	<u>175,103</u>	<u>3.93</u>
Total Revenues	<u>\$31,736,737</u>	<u>\$36,529,408</u>	<u>\$(4,792,671)</u>	<u>100.00%</u>

The tax revenues saw another decrease of \$58,906 for the second year in a row because of personal property tax. Several businesses are still decreasing their inventory because of the slow economy. Intergovernmental revenues decreased a total of \$3,697,500 because of the lack of grants available for our use. Federal and State grants are being cut or downsized because of budget problems. Special assessments have decreased in the amount of \$218,682 as assessments are being paid off. Intergovernmental revenues account for 53.60 percent of the total revenues and consists primarily of Job and Family Services and includes Motor Vehicle and Gasoline Tax revenues received from the State of Ohio. Interest revenues are down because of low interest rates and reduced balances to invest, in the amount of \$1,146,459.

	<u>2002</u>	<u>2001</u>	<u>Increase (Decrease)</u>	<u>Percent of Total 2002</u>
<u>Expenditures</u>				
Current:				
General Government:				
Legislative and Executive	\$5,028,221	\$ 4,860,082	\$ 168,139	14.28%
Judicial	1,751,198	1,574,654	176,544	4.97
Public Safety	4,707,732	4,448,211	259,521	13.37
Public Works	3,976,355	4,086,178	(109,823)	11.30
Health	315,828	285,930	29,898	.90
Human Services	12,088,490	13,297,236	(1,208,746)	34.34
Conservation and Recreation	2,000	--	2,000	.01
Capital Outlay	5,902,503	10,181,363	(4,278,860)	16.77
Other	1,396	30,071	(28,675)	.01
Debt Service:				
Principal Retirement	712,870	472,028	240,842	2.03
Interest and Fiscal Charges	<u>709,687</u>	<u>833,265</u>	<u>(123,578)</u>	<u>2.02</u>
Total Expenditures	<u>\$35,196,280</u>	<u>\$40,069,018</u>	<u>\$(4,872,738)</u>	<u>100.00%</u>

Legislative and Executive expenditures increased \$168,139 mainly because of the increase in maintenance to the new government buildings. Public Safety increased \$259,521 with the opening of the new Justice Center which houses the Sheriff Office, Emergency Management and the County Jail. Human Services saw a decrease of \$1,208,746 due to the cut back in grants funding some of our projects.

Capital Outlay was reduced \$4,278,860 as many of our projects have been completed and many departments have new facilities.

The human services function accounted for 34.34 percent of the governmental expenditures, which includes the expenditures of the Public Assistance Special Revenue Fund, the Mental Retardation Special Revenue Fund, and the Children Services Board Special Revenue Fund.

The legislative and executive function accounted for 14.28 percent of the total expenditures and reflects the operations of such offices as the Commissioners, Auditor, Treasurer, Prosecutor, Planning Commission, the Automatic Data Processing and the Board of Elections.

Enterprise Funds

The Enterprise Funds operated by the County consist of a Sewer District and a Landfill Development fund. Operating revenues in the Sewer District totaled \$929,591, with depreciation expense of \$85,015, a net income of \$360,564 and retained earnings at year end of \$141,828. The County has closed the landfill. The Landfill Development Fund experienced a net income of \$93,053 as a result of operating transfers and deficit retained earnings at year end of \$2,297,243. The deficit resulted from the conversion to generally accepted accounting principals for the preparation of annual financial statements.

The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. The fund accounts for employee payroll deductions, as well as the County's share charged to the various funds which are distributed to a third party administrator to pay employee insurance claims.

Fiduciary Funds

Fiduciary funds account for assets held by Knox County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The fiduciary funds which Knox County maintains are agency funds.

At December 31, 2002 agency funds' assets totaled \$52,713,233. The County uses the agency funds to receive and distribute taxes and state levied revenues for all local governments within the County.

Cash Management

During the year ended December 31, 2002, the County's cash resources were divided into bank deposits and investments.

The County Treasurer, custodian of all County monies, is responsible for investing all idle funds and for directing the investment policies of the County.

The County pools its cash to maximize investment efficiency and to simplify accountability.

Among the County's investments, Knox County participates in the State Treasurer's investment pool of Ohio (STAR Ohio). This statewide investment pool was established in January 1986 for governmental entities in Ohio and is administrated by the Treasurer of State. Interest is allocated to the General Fund and to other qualifying funds. Interest for all funds of the primary government during 2002 was \$409,050.

Risk Management

The County contracts with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. In addition, the County maintains replacement cost insurance on buildings and contents. The County also maintains Workers' Compensation for all employees by paying premiums to the State.

Knox County manages the hospital/medical health benefits for its employees on a self-insured basis. A third party administrator processes and pays claims. A stop loss carrier covers claims in excess of \$125,000 per employee per year. The advantages of the self-insurance arrangement include Knox County holding the reserves and earning interest on them as well as savings on administrative costs. Control of the plan rests with the County.

Debt Administration

In 2002, the County retired \$250,000 in special assessment debt. The amount of outstanding special assessment obligations at December 31, 2002, was \$445,000. The amount of outstanding general obligation bonds at December 31, 2002, was \$12,385,000. The total legal debt margin at December 31, 2002, was \$13,566,967 with an unvoted total debt margin of \$2,411,786.

Independent Audit

Included in this report is an unqualified audit opinion rendered on the County's financial statements as of and for the year ended December 31, 2002, by our independent auditor, Betty Montgomery, Auditor of State. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act of 1996 and related OMB Circular A-133.

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

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Knox County, Ohio, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2001. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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 conform to program standards. The (CAFR) must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Knox County has received a Certificate of Achievement for the last twelve consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The publication of this Comprehensive Annual Financial Report for Knox County, Ohio, is the culmination of many hours of dedicated work in the research, analysis, and preparation of the financial statements and the related notes and narratives by the Fiscal Department of the Office of the Knox County Auditor.

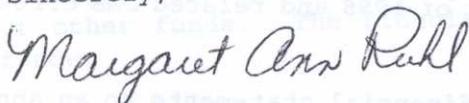
The effort put forth so willingly by the various department heads and their staffs in providing the data needed for the report is greatly appreciated. Special recognition is given to Sharon Lamb, Deputy Auditor, for her many hours, perseverance, and expertise in managing this project to completion. We are very appreciative of this effort.

We thank Donald J. Schonhardt and Associates for their expert advice and technical assistance.

A final note of appreciation is extended to the auditing staff of the State Auditor's office for their cooperation and guidance for our thirteenth Comprehensive Annual Financial Report.

I ask for your continuing support of this project and in our efforts to promote good sound financial management for Knox County.

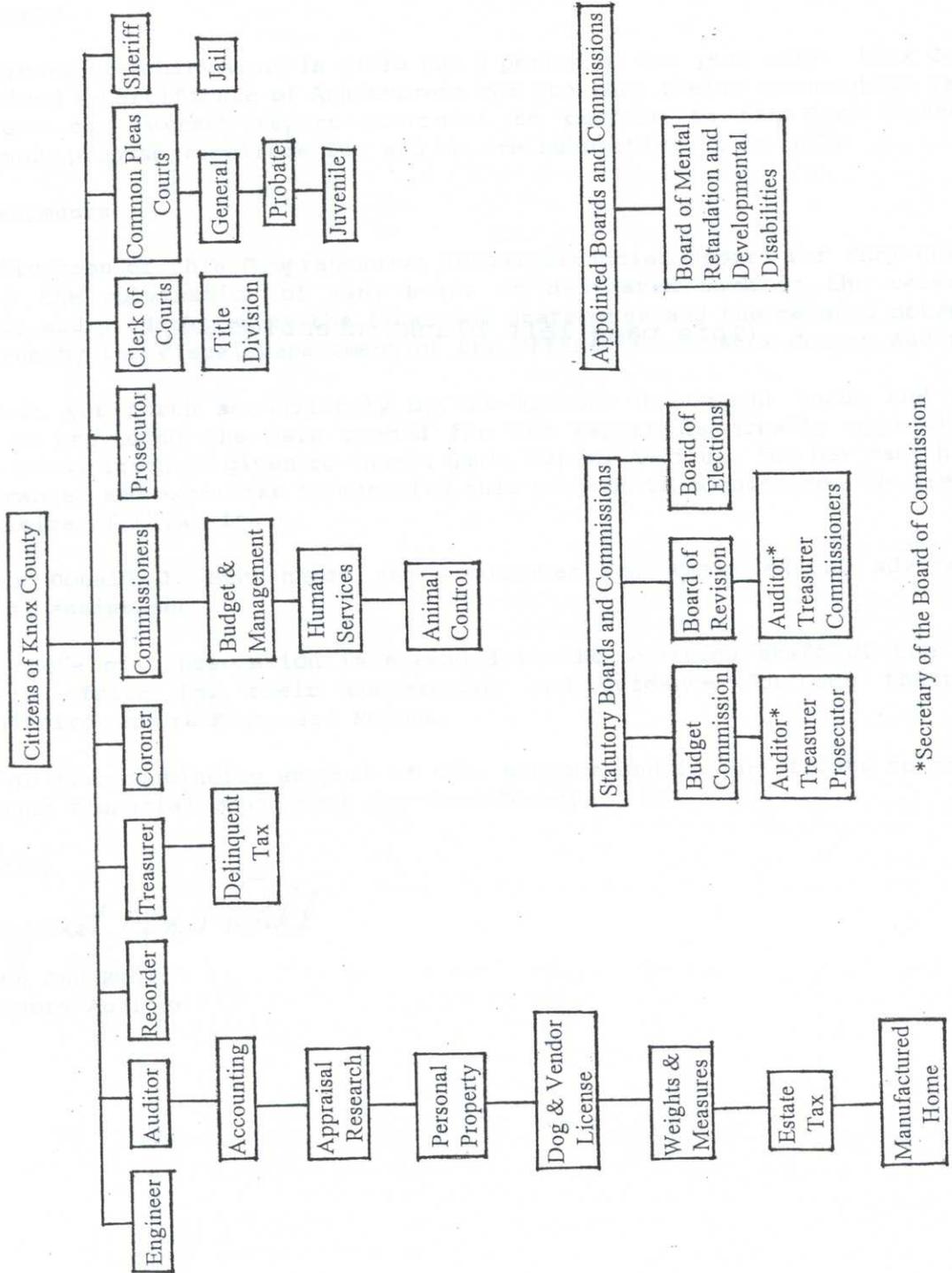
Sincerely,



Margaret Ann Ruhl,
Knox County Auditor

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Organization of Knox County



*Secretary of the Board of Commission

Knox County, Ohio

**Elected Officials
December 31, 2002**

Board of Commissioners:

Allen D. Stockberger
Robert S. Wise
Thomas C. McLarnan

Auditor:

Margaret Ann Ruhl

Treasurer:

Sandra Mizer

Prosecutor:

John W. Baker

Recorder:

John L. Lybarger

Engineer:

James L. Henry

Sheriff:

David B. Barber

Clerk of Courts:

Mary Jo Hawkins

Common Pleas Judge:

Otho Eyster

Probate and Juvenile Judge:

James Ronk

Coroner:

Jeffrey L. Bowers

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Knox 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.



William Patrick Galt

President

Jeffrey R. Emer

Executive Director



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Board of County Commissioners
Knox County
117 East High Street
Mount Vernon, Ohio 43050

We have audited the accompanying general-purpose financial statements of Knox County, Ohio, (the County) as of and for the year ended December 31, 2002, as listed in the table of contents. These general-purpose financial statements are the responsibility of the County'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 Knox County, Ohio, as of December 31, 2002, and the results of its operations and the cash flows of its proprietary fund types and its discretely presented component units for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for additional analysis and are not a required part of the general-purpose financial statements. We subjected this information to the auditing procedures applied in the audit of the general-purpose financial statements. In our opinion, it is fairly stated in all material respects, in relation to the general-purpose 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 of Ohio

June 30, 2003

General Purpose Financial Statements

Knox County, Ohio
 Combined Balance Sheet
 All Fund Types, Account Groups, and Discretely Presented Component Units
 December 31, 2002

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Assets and Other Debits:						
Assets:						
Equity in Pooled Cash and Cash Equivalents	\$ 3,418,574	\$ 8,367,123	\$ 572,105	\$ 2,622,242	\$ 962,857	\$ 265,607
Cash and Cash Equivalents in Segregated Accounts	1,574	109,546	-	-	-	-
Cash and Cash Equivalents with Fiscal and Escrow Agents	-	-	-	249,375	-	43,438
Investments	-	-	-	-	-	-
Receivables:						
Taxes	3,723,955	2,678,239	-	-	-	-
Accounts	49,753	284,918	-	-	188,779	1,033
Special Assessments	-	7,818	477,749	-	192,498	-
Interfund	7,000	306	-	-	-	-
Accrued Interest	28,355	-	-	-	-	-
Due from Other Funds	499,974	120,938	111,893	-	-	-
Due from Other Governments	213,191	6,034,481	-	435,230	-	-
Due from Component Unit	30,010	-	-	-	-	-
Materials and Supplies						
Inventory	2,305	353,026	-	-	120,799	-
Prepaid Items	21,821	28,337	-	-	3,956	-
Advance from Other Funds	300,000	-	-	-	-	-
Loans Receivable	-	57,771	-	-	-	-
Loans Receivable from Component Unit	289,726	-	-	-	-	-
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	-	-	-	-	2,498,359	-
Other Debits:						
Amount Available in Debt Service Fund	-	-	-	-	-	-
Amount to be Provided from General Government Resources	-	-	-	-	-	-
Amount to be Provided from Special Assessments	-	-	-	-	-	-
Total Assets and Other Debits	<u>\$ 8,586,238</u>	<u>\$ 18,042,503</u>	<u>\$ 1,161,747</u>	<u>\$ 3,306,847</u>	<u>\$ 3,967,248</u>	<u>\$ 310,078</u>

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only) Primary Government	Component Units		Totals (Memorandum Only) Reporting Entity
	General Fixed Assets	General Long-term Debt		Knox New Hope Industries	Knox County Airport	
Agency						
\$ 3,071,952	\$ -	\$ -	\$ 19,280,460	\$ -	\$ -	19,280,460
246,503	-	-	357,623	82,127	220,456	660,206
-	-	-	292,813	907	-	293,720
-	-	-	-	173,756	-	173,756
46,269,761	-	-	52,671,955	-	-	52,671,955
5,767	-	-	530,250	30,077	5,862	566,189
489,712	-	-	1,167,777	-	-	1,167,777
-	-	-	7,306	-	-	7,306
-	-	-	28,355	-	-	28,355
-	-	-	732,805	-	-	732,805
2,629,538	-	-	9,312,440	-	-	9,312,440
-	-	-	30,010	-	-	30,010
-	-	-	476,130	1,274	16,591	493,995
-	-	-	54,114	-	-	54,114
-	-	-	300,000	-	-	300,000
-	-	-	57,771	-	-	57,771
-	-	-	289,726	-	-	289,726
-	32,768,346	-	35,266,705	30,701	1,861,463	37,158,869
-	-	635,619	635,619	-	-	635,619
-	-	12,774,323	12,774,323	-	-	12,774,323
-	-	445,000	445,000	-	-	445,000
<u>\$ 52,713,233</u>	<u>\$ 32,768,346</u>	<u>\$ 13,854,942</u>	<u>\$ 134,711,182</u>	<u>\$ 318,842</u>	<u>\$ 2,104,372</u>	<u>\$ 137,134,396</u>

(Continued)

Knox County, Ohio

Combined Balance Sheet
All Fund Types, Account Groups, and Discretely Presented Component Units (Continued)
December 31, 2002

	Governmental Fund Types				Proprietary Fund Types	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise	Internal Service
Liabilities, Fund Equity, and Other Credits:						
Liabilities:						
Accounts Payable	\$ 158,121	\$ 433,448	\$ -	\$ -	\$ 19,091	\$ 108
Contracts Payable	72,141	51,761	-	269,679	7,004	-
Accrued Wages and Benefits	121,053	231,875	-	-	8,464	-
Compensated Absences Payable	-	-	-	-	18,422	-
Retainage Payable	-	-	-	289,162	-	-
Advance to Other Funds	-	-	-	-	-	300,000
Interfund Payable	-	7,306	-	-	-	-
Due to Other Funds	111,893	152,927	-	-	-	-
Due to Other Governments	144,746	323,441	-	-	12,260	-
Due to Primary Government	-	-	-	-	-	-
Deferred Revenue	4,260,296	7,216,827	477,749	188,263	4,145	-
Undistributed Monies	-	-	-	-	-	-
Due to Others	-	-	-	-	-	-
Matured Bonds Payable	-	-	15,000	-	-	-
Matured Interest Payable	-	-	33,379	-	-	-
Bonds Payable	-	-	-	-	-	-
Capital Leases Payable	-	-	-	-	-	-
Claims and Judgments Payable	-	-	-	-	-	361,409
OWDA Loans Payable	-	-	-	-	74,498	-
Closure and Postclosure Care Costs	-	-	-	-	2,359,932	-
Long Term Note Payable	-	-	-	-	-	-
Loan Payable to Primary Govt.	-	-	-	-	-	-
General Obligation Bonds Payable	-	-	-	-	-	-
Special Assessment Debt with Governmental Commitment	-	-	-	-	-	-
Total Liabilities	4,868,250	8,417,585	526,128	747,104	2,503,816	661,517
Fund Equity and Other Credits:						
Investment in General Fixed Assets	-	-	-	-	-	-
Contributed Capital	-	-	-	-	3,618,847	-
Retained Earnings:						
Unreserved (Deficit)	-	-	-	-	(2,155,415)	(351,439)
Fund Balance:						
Reserved for Encumbrances	254,881	421,729	-	680,998	-	-
Reserved for Inventory	2,305	353,026	-	-	-	-
Reserved for Advances	300,000	-	-	-	-	-
Reserved for Due From Component Unit	30,010	-	-	-	-	-
Reserved for Loan Receivable From Component Unit	289,726	-	-	-	-	-
Reserved for Loans	-	57,771	-	-	-	-
Unreserved, Undesignated	2,841,066	8,792,392	635,619	1,878,745	-	-
Total Fund Equity (Deficit) and Other Credits	3,717,988	9,624,918	635,619	2,559,743	1,463,432	(351,439)
Total Liabilities, Fund Equity and Other Credits	\$ 8,586,238	\$ 18,042,503	\$ 1,161,747	\$ 3,306,847	\$ 3,967,248	\$ 310,078

The Notes to the General Purpose Financial Statements are an integral part of this statement.

Fiduciary Fund Type	Account Groups		Totals (Memorandum Only) Primary Government	Component Units		Totals (Memorandum Only) reporting Entity
	General Fixed Assets	General Long-term Debt		Knox New Hope Industries	Knox County Airport	
Agency						
\$ -	\$ -	\$ -	\$ 610,768	\$ 1,257	\$ 1,647	\$ 613,672
-	-	-	400,585	-	-	400,585
-	-	-	361,392	3,285	-	364,677
-	-	784,110	802,532	-	-	802,532
-	-	-	289,162	-	-	289,162
-	-	-	300,000	-	-	300,000
-	-	-	7,306	-	-	7,306
467,985	-	-	732,805	-	-	732,805
50,015,209	-	-	50,495,656	-	-	50,495,656
-	-	-	-	-	30,010	30,010
-	-	-	12,147,280	-	-	12,147,280
245,804	-	-	245,804	-	-	245,804
1,984,235	-	-	1,984,235	-	-	1,984,235
-	-	-	15,000	-	-	15,000
-	-	-	33,379	-	-	33,379
-	-	-	0	-	136,900	136,900
-	-	10,832	10,832	-	-	10,832
-	-	-	361,409	-	-	361,409
-	-	-	74,498	-	-	74,498
-	-	-	2,359,932	-	-	2,359,932
-	-	230,000	230,000	-	-	230,000
-	-	-	-	-	289,726	289,726
-	-	12,385,000	12,385,000	-	-	12,385,000
-	-	445,000	445,000	-	-	445,000
<u>52,713,233</u>	<u>-</u>	<u>13,854,942</u>	<u>84,292,575</u>	<u>4,542</u>	<u>458,283</u>	<u>84,755,400</u>
-	32,768,346	-	32,768,346	-	-	32,768,346
-	-	-	3,618,847	-	938,895	4,557,742
-	-	-	(2,506,854)	314,300	707,194	(1,485,360)
-	-	-	1,357,608	-	-	1,357,608
-	-	-	355,331	-	-	355,331
-	-	-	300,000	-	-	300,000
-	-	-	30,010	-	-	30,010
-	-	-	289,726	-	-	289,726
-	-	-	57,771	-	-	57,771
-	-	-	14,147,822	-	-	14,147,822
<u>-</u>	<u>32,768,346</u>	<u>-</u>	<u>50,418,607</u>	<u>314,300</u>	<u>1,646,089</u>	<u>52,378,996</u>
<u>\$ 52,713,233</u>	<u>\$ 32,768,346</u>	<u>\$ 13,854,942</u>	<u>\$ 134,711,182</u>	<u>\$ 318,842</u>	<u>\$ 2,104,372</u>	<u>\$ 137,134,396</u>

Knox County, Ohio

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended December 31, 2002

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Revenues:					
Taxes	\$ 5,906,936	\$ 3,821,968	\$ -	\$ -	\$ 9,728,904
Charges for Services	1,918,975	1,064,234	-	-	2,983,209
Licenses and Permits	5,191	103,787	-	-	108,978
Fines and Forfeitures	45,232	37,294	-	-	82,526
Intergovernmental	1,568,185	12,567,582	-	2,875,708	17,011,475
Special Assessments	-	5,014	180,385	-	185,399
Interest	318,814	10,438	-	60,958	390,210
Other	432,617	620,366	185,115	7,938	1,246,036
Total Revenues	10,195,950	18,230,683	365,500	2,944,604	31,736,737
Expenditures:					
Current:					
General Government:					
Legislative and Executive	4,176,199	852,022	-	-	5,028,221
Judicial	1,562,077	189,121	-	-	1,751,198
Public Safety	2,829,880	1,877,852	-	-	4,707,732
Public Works	109,899	3,866,456	-	-	3,976,355
Health	124,286	191,542	-	-	315,828
Human Services	576,259	11,512,231	-	-	12,088,490
Conservation and Recreation	2,000	-	-	-	2,000
Capital Outlay	415,657	2,896	-	5,483,950	5,902,503
Other	-	-	1,396	-	1,396
Debt Service:					
Principal Retirement	1,382	1,488	710,000	-	712,870
Interest and Fiscal Charges	416	453	615,917	92,901	709,687
Total Expenditures	9,798,055	18,494,061	1,327,313	5,576,851	35,196,280
Excess of Revenues Over (Under) Expenditures	397,895	(263,378)	(961,813)	(2,632,247)	(3,459,543)
Other Financing Sources (Uses):					
Proceeds of Bonds	-	-	-	1,360,000	1,360,000
Premium on Bond	-	-	-	1,630	1,630
Sales of Fixed Assets	-	35,610	-	-	35,610
Operating Transfers - In	15,364	51,644	1,018,887	-	1,085,895
Operating Transfers - Out	(807,603)	(438,139)	-	-	(1,245,742)
Total Other Sources (Uses)	(792,239)	(350,885)	1,018,887	1,361,630	1,237,393
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(394,344)	(614,263)	57,074	(1,270,617)	(2,222,150)
Fund Balances at Beginning of Year	4,111,669	10,144,112	578,545	3,830,360	18,664,686
Increase (Decrease) in Reserve for Inventory	663	95,069	-	-	95,732
Fund Balances at End of Year	\$ 3,717,988	\$ 9,624,918	\$ 635,619	\$ 2,559,743	\$ 16,538,268

The Notes to the General Purpose Financial Statements are an integral part of this Statement.

Knox County, Ohio

Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types
For the Year Ended December 31, 2002

	<u>General Fund</u>		Variance Favorable (Unfavorable)
	<u>Revised Budget</u>	<u>Actual</u>	
Revenues:			
Taxes	\$ 5,980,732	\$ 6,284,070	\$ 303,338
Charges for Services	1,435,621	1,873,799	438,178
Licenses and Permits	3,500	5,191	1,691
Fines and Forfeitures	35,000	41,585	6,585
Intergovernmental	1,419,900	1,485,345	65,445
Special Assessments	-	-	-
Interest	970,000	620,724	(349,276)
Other	56,397	142,311	85,914
Total Revenues	<u>9,901,150</u>	<u>10,453,025</u>	<u>551,875</u>
Expenditures:			
Legislative and Executive	5,266,681	4,523,873	742,808
Judicial	1,531,921	1,513,288	18,633
Public Safety	2,876,343	2,819,672	56,671
Public Works	786,914	118,569	668,345
Health	138,197	124,271	13,926
Human Services	709,744	575,455	134,289
Conservation and Recreation	7,906	2,000	5,906
Capital Outlay	419,820	419,820	-
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Other	-	-	-
Total Expenditures	<u>11,737,526</u>	<u>10,096,948</u>	<u>1,640,578</u>
Excess of Revenue Over (Under) Expenditures	<u>(1,836,376)</u>	<u>356,077</u>	<u>2,192,453</u>
Other Financing Sources (Uses):			
Other Financing Sources	54,111	280,639	226,528
Other Financing Uses	(245,207)	(147,512)	97,695
Proceeds of Bonds	-	-	-
Premium on Bond	-	-	-
Sale of Fixed Assets	-	-	-
Advances - In	-	-	-
Advances - Out	(7,000)	(7,000)	-
Operating Transfers - In	-	-	-
Operating Transfers - Out	(667,748)	(667,392)	356
Total Other Sources (Uses)	<u>(865,844)</u>	<u>(541,265)</u>	<u>324,579</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(2,702,220)</u>	<u>(185,188)</u>	<u>2,517,032</u>
Fund Balances at Beginning of Year	2,804,624	2,804,624	-
Prior Year Encumbrances Appropriated	<u>350,957</u>	<u>350,957</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 453,361</u>	<u>\$ 2,970,393</u>	<u>\$ 2,517,032</u>

(Continued)

Knox County, Ohio

Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual (Budget Basis)
All Governmental Fund Types (Continued)
For the Year Ended December 31, 2002

	<u>Special Revenue Funds</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 3,734,374	\$ 3,870,838	\$ 136,464
Charges for Services	1,071,502	1,042,820	(28,682)
Licenses and Permits	103,000	97,115	(5,885)
Fines and Forfeitures	35,800	27,523	(8,277)
Intergovernmental	14,401,736	12,744,168	(1,657,568)
Special Assessments	11,000	5,014	(5,986)
Interest	12,400	4,946	(7,454)
Other	309,217	407,280	98,063
Total Revenues	<u>19,679,029</u>	<u>18,199,704</u>	<u>(1,479,325)</u>
Expenditures:			
Legislative and Executive	1,002,377	950,470	51,907
Judicial	229,132	190,113	39,019
Public Safety	3,515,599	1,927,778	1,587,821
Public Works	4,031,169	3,920,046	111,123
Health	267,976	197,308	70,668
Human Services	15,591,135	12,290,913	3,300,222
Conservation and Recreation	-	-	-
Capital Outlay	23,849	14,500	9,349
Debt Service:			
Principal Retirement	-	-	-
Interest and Fiscal Charges	-	-	-
Other	-	-	-
Total Expenditures	<u>24,661,237</u>	<u>19,491,128</u>	<u>5,170,109</u>
Excess of Revenue Over (Under) Expenditures	<u>(4,982,208)</u>	<u>(1,291,424)</u>	<u>3,690,784</u>
Other Financing Sources (Uses):			
Other Financing Sources	7,980	91,812	83,832
Other Financing Uses	-	-	-
Proceeds of Bonds	-	-	-
Premium on Bond	-	-	-
Sale of Fixed Assets	275	35,610	35,335
Advances - In	7,000	7,306	306
Advances - Out	(5,000)	(306)	4,694
Operating Transfers - In	69,000	51,644	(17,356)
Operating Transfers - Out	(538,691)	(438,139)	100,552
Total Other Sources (Uses)	<u>(459,436)</u>	<u>(252,073)</u>	<u>207,363</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(5,441,644)</u>	<u>(1,543,497)</u>	<u>3,898,147</u>
Fund Balances at Beginning of Year	8,381,857	8,381,857	-
Prior Year Encumbrances Appropriated	<u>874,970</u>	<u>874,970</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 3,815,183</u>	<u>\$ 7,713,330</u>	<u>\$ 3,898,147</u>

The Notes to the General Purpose Financial Statements are an integral part of this Statement.

Debt Service Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
502,500	326,743	(175,757)
-	-	-
-	-	-
<u>502,500</u>	<u>326,743</u>	<u>(175,757)</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
860,000	710,000	150,000
728,937	617,864	111,073
10,000	1,396	8,604
<u>1,598,937</u>	<u>1,329,260</u>	<u>269,677</u>
(1,096,437)	(1,002,517)	93,920
454,870	185,115	(269,755)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
530,677	1,018,887	488,210
-	-	-
<u>985,547</u>	<u>1,204,002</u>	<u>218,455</u>
(110,890)	201,485	312,375
370,323	370,323	-
-	-	-
<u>\$ 259,433</u>	<u>\$ 571,808</u>	<u>\$ 312,375</u>

Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
3,860,870	3,061,092	(799,778)
-	-	-
69,044	58,811	(10,233)
27,201	7,938	(19,263)
<u>3,957,115</u>	<u>3,127,841</u>	<u>(829,274)</u>
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
9,543,280	6,591,709	2,951,571
1,300,000	1,300,000	-
92,901	92,901	-
-	-	-
<u>10,936,181</u>	<u>7,984,610</u>	<u>2,951,571</u>
(6,979,066)	(4,856,769)	2,122,297
-	-	-
(85,001)	(85,001)	-
1,360,000	1,360,000	-
1,630	1,630	-
-	-	-
-	-	-
-	-	-
400,000	-	(400,000)
-	-	-
<u>1,676,629</u>	<u>1,276,629</u>	<u>(400,000)</u>
(5,302,437)	(3,580,140)	1,722,297
3,400,019	3,400,019	-
2,092,504	2,092,504	-
<u>\$ 190,086</u>	<u>\$ 1,912,383</u>	<u>\$ 1,722,297</u>

Knox County, Ohio

Combined Statement of Revenues, Expenses, and
Changes in Fund Equity
All Proprietary Fund Types and Discretely Presented Component Units
For the Year Ended December 31, 2002

	Proprietary Fund Types		Totals (Memorandum Only)	Component Units		Totals (Memorandum Only)
	Enterprise	Internal Service	Primary Government	Knox	Knox	Reporting Entity
				New Hope Industries	County Airport	
Operating Revenues:						
Contributions	\$ -	\$ -	\$ -	\$ 35,946	\$ -	\$ 35,946
Charges for Services	805,916	3,389,226	4,195,142	148,066	268,508	4,611,716
Tap-In Fees	102,734	-	102,734	-	-	102,734
Donations	-	-	-	1,810	-	1,810
Other Operating Revenues	20,941	-	20,941	3,846	14,149	38,936
Total Revenues	929,591	3,389,226	4,318,817	189,668	282,657	4,791,142
Operating Expenses:						
Personal Services	401,841	-	401,841	119,344	58,772	579,957
Contractual Services	245,398	256,070	501,468	11,951	32,905	546,324
Claims and Judgments	-	3,305,089	3,305,089	-	-	3,305,089
Materials and Supplies	50,378	-	50,378	26,646	110,734	187,758
Depreciation	85,015	-	85,015	10,370	40,052	135,437
Total Operating Expenses	782,632	3,561,159	4,343,791	168,311	242,463	4,754,565
Operating Income (Loss)	146,959	(171,933)	(24,974)	21,357	40,194	36,577
Non-Operating Revenues (Expenses):						
Intergovernmental	-	-	-	-	60,597	60,597
Tap-In Fees in excess of cost	177,035	-	177,035	-	-	177,035
Interest Income	15,364	3,476	18,840	4,817	-	23,657
Interest and Fiscal Charges	(3,134)	-	(3,134)	-	(6,774)	(9,908)
Gain on Sale of Fixed Assets	12,514	-	12,514	-	-	12,514
Loss on Sale of Equipment	-	-	-	(505)	-	(505)
Net decrease in Fair Value of Investments	-	-	-	(14,405)	-	(14,405)
Other Non-Operating Revenues	-	214,317	214,317	-	-	214,317
Other Non-Operating Expenses	(19,968)	(286)	(20,254)	-	(7,301)	(27,555)
Total Non-Operating Revenues (Expenses)	181,811	217,507	399,318	(10,093)	46,522	435,747
Income (Loss) Before Operating Transfers	328,770	45,574	374,344	11,264	86,716	472,324
Operating Transfers - In	140,211	35,000	175,211	-	-	175,211
Operating transfers - Out	(15,364)	-	(15,364)	-	-	(15,364)
Net Income (Loss)	453,617	80,574	534,191	11,264	86,716	632,171
Retained Earnings (Deficit) at Beginning of Year	(2,609,032)	(432,013)	(3,041,045)	303,036	620,478	(2,117,531)
Retained Earnings (Deficit) at End of Year	(2,155,415)	(351,439)	(2,506,854)	314,300	707,194	(1,485,360)
Contributed Capital at Beginning of Year	3,618,847	-	3,618,847	-	1,188,895	4,807,742
Decrease in Contributed Capital	-	-	-	-	(250,000)	(250,000)
Contributed Capital at End of Year	3,618,847	-	3,618,847	-	938,895	4,557,742
Total Fund Equity (Deficit) at End of Year	\$ 1,463,432	\$ (351,439)	\$ 1,111,993	\$ 314,300	\$ 1,646,089	\$ 3,072,382

The Notes to the General Purpose Financial Statements are an integral part of this statement.

Knox County, Ohio

Combined Statement of Revenues, Expenses, and
Changes in Fund Equity - Budget and Actual (Budget Basis)
All Proprietary Fund Types - Primary Government
For the Year Ended December 31, 2002

	Enterprise Funds		Variance
	Revised	Actual	Favorable
	Budget	Actual	(Unfavorable)
Revenues:			
Charges for Services	\$ 711,344	\$812,398	101,054
Tap-In Fees	293,656	279,769	(13,887)
Intergovernmental	50,000	8,543	(41,457)
Other Non-Operating Revenues	75	--	(75)
Other Operating Revenues	1,986	20,941	18,955
Sale of Fixed Assets	12,514	12,514	--
Total Revenues	<u>1,069,575</u>	<u>1,134,165</u>	<u>64,590</u>
Expenses:			
Personal Services	484,179	405,663	78,516
Contractual Services	764,786	265,354	499,432
Materials and Supplies	304,288	205,153	99,135
Other Non-Operating Expenses	31,000	20,043	10,957
Debt Service:			
Principal Retirement	1,698	1,698	--
Interest	3,134	3,134	--
Total Expenses	<u>1,589,085</u>	<u>901,045</u>	<u>688,040</u>
Excess of Revenues Over (Under) Expenses	<u>(519,510)</u>	<u>233,120</u>	<u>752,630</u>
Operating Transfers:			
Operating Transfers - Out	<u>(44,000)</u>	<u>--</u>	<u>44,000</u>
Excess of Revenues Over (Under) Expenses and Operating Transfers	<u>(563,510)</u>	<u>233,120</u>	<u>796,630</u>
Fund Equity at Beginning of Year	532,844	532,844	--
Prior Year Encumbrances Appropriated	<u>55,901</u>	<u>55,901</u>	<u>--</u>
Fund Equity at End of Year	<u>\$ 25,235</u>	<u>\$ 821,865</u>	<u>\$ 796,630</u>

The Notes to the General Purpose Financial Statements are an integral part of this Statement.

(Continued)

Knox County, Ohio

Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
All Proprietary Fund Types - Primary Government (Continued)
 Budget Basis
 For the Year Ended December 31, 2002

	Internal Service Fund		Variance
	Revised Budget	Actual	Favorable (Unfavorable)
Revenues:			
Charges for Services	\$3,387,384	\$3,389,226	\$ 1,842
Interest	5,000	3,412	(1,588)
Other Non-Operating Revenue	206,216	213,284	7,068
Total Revenues	3,598,600	3,605,922	7,322
Expenditures:			
Contractual Services	302,035	247,799	54,236
Claims and Judgments	3,736,000	3,532,293	203,707
Other Non-Operating Expenses	286	286	--
Total Expenditures	4,038,321	3,780,378	257,943
Excess of Revenues Over (Under) Expenditures	(439,721)	(174,456)	265,265
Other Financing Sources (Uses):			
Operating Transfers - In	35,000	35,000	--
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(404,721)	(139,456)	265,265
Fund Balance at Beginning of Year	404,721	404,721	--
Fund Balance (Deficit) at End of Year	\$ --	\$ 265,265	\$ 265,265

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Knox County, Ohio
 Combined Statement of Cash Flows
All Proprietary Fund Types and Discretely Presented Component Units
 For the Year Ended December 31, 2002

	<u>Proprietary Fund Types</u>		Totals
			(Memorandum
	<u>Enterprise</u>	<u>Internal</u>	Only)
			Primary
	<u>Enterprise</u>	<u>Service</u>	<u>Government</u>
Increase (Decrease) in <u>Cash and Cash Equivalents</u>			
Cash Flows From Operating Activities			
Cash Received From Customers	\$ 915,132	\$ -	\$ 915,132
Cash Received From Quasi-external Transactions With Other Funds	-	3,389,226	3,389,226
Cash Payments to Suppliers for Goods and Services	(422,431)	(248,085)	(670,516)
Cash Payments to Employees for Services	(405,663)	-	(405,663)
Cash Payments for Claims	-	(3,532,293)	(3,532,293)
Other Operating Revenues	20,941	213,284	234,225
Net Cash Provided by (Used for)			
Operating Activities	107,979	(177,868)	(69,889)
Cash Flows From Noncapital Financing			
Activities:			
Operating Grants	-	-	-
Payment for Loan from Primary Government	-	-	-
Operating Transfers - In	140,211	35,000	175,211
Operating Transfers - Out	(15,364)	-	(15,364)
Net Cash Provided by (Used for)			
Noncapital Financing Activities	124,847	35,000	159,847
Cash Flows From Capital and Related			
Financing Activities:			
Debt Principal Retirement	-	-	-
Acquisition & Construction of Assets	-	-	-
Receipt of Special Assessments	8,543	-	8,543
Contributed Capital from Tap-in Fees	177,035	-	177,035
Acquisition of Capital Assets	(108,011)	-	(108,011)
Proceeds from Sale of Fixed Assets	12,514	-	12,514
Principal Paid on Ohio Water Development Loan Payable	(1,698)	-	(1,698)
Interest Paid on Debt	(3,134)	-	(3,134)
Net Cash Provided (Used for) by Capital			
and Related Financing Activities	85,249	-	85,249
Cash Flows from Investing Activities:			
Receipts of Interest	15,364	3,476	18,840
Investment in Mutual Fund	-	-	-
Interest on Investments	-	-	-
Net Cash Provided by Investing			
Activities	15,364	3,476	18,840
Net Increase (Decrease) in Cash and Cash Equivalents	333,439	(139,392)	194,047
Cash and Cash Equivalents at Beginning of Year	629,418	448,437	1,077,855
Cash and Cash Equivalents at			
End of Year	<u>\$ 962,857</u>	<u>\$ 309,045</u>	<u>\$ 1,271,902</u>
Reconciliation of Cash and Cash			
Equivalents per the Balance Sheet:			
Cash and Cash Equivalents	962,857	265,607	1,228,464
Cash in Segregated Accounts	-	-	-
Cash with Fiscal and Escrow Agents	-	43,438	43,438
Cash and Cash Equivalents at			
End of Year	<u>\$ 962,857</u>	<u>\$ 309,045</u>	<u>\$ 1,271,902</u>

The Notes to the General Purpose Financial Statements are an integral part of this statement.

Component Units		Totals (Memorandum Only)
Knox New Hope Industries	Knox County Airport	Reporting Entity
\$ 145,060	\$ 280,572	\$ 1,340,764
-	-	3,389,226
(37,735)	(161,463)	(869,714)
(83,597)	(73,300)	(562,560)
-	-	(3,532,293)
<u>2,268</u>	<u>14,149</u>	<u>250,642</u>
<u>25,996</u>	<u>59,958</u>	<u>16,065</u>
-	69,227	69,227
-	(22,050)	(22,050)
-	-	175,211
-	-	<u>(15,364)</u>
-	<u>47,177</u>	<u>207,024</u>
-	(5,700)	(5,700)
-	(35,161)	(35,161)
-	-	8,543
-	-	177,035
(2,219)	-	(110,230)
-	-	12,514
-	-	(1,698)
-	<u>(6,774)</u>	<u>(9,908)</u>
<u>(2,219)</u>	<u>(47,635)</u>	<u>35,395</u>
-	-	18,840
(34,633)	-	(34,633)
<u>4,817</u>	-	<u>4,817</u>
<u>(29,816)</u>	-	<u>(10,976)</u>
(6,039)	59,500	247,508
<u>89,073</u>	<u>160,956</u>	<u>1,327,884</u>
<u>\$ 83,034</u>	<u>\$ 220,456</u>	<u>\$ 1,575,392</u>
-	220,456	1,448,920
82,127	-	82,127
<u>907</u>	-	<u>44,345</u>
<u>\$ 83,034</u>	<u>\$ 220,456</u>	<u>\$ 1,575,392</u>

(Continued)

Knox County, Ohio
 Combined Statement of Cash Flows
All Proprietary Fund Types and Discretely Presented Component Units
 (Continued)
 For the Year Ended December 31, 2002

	Proprietary Fund Type		Totals
	Enterprise	Internal Service	(Memorandum Only)
			Primary Government
Reconciliation of Operating Income (Loss)			
to Net Cash Provided by (Used for)			
Operating Activities:			
Operating Income (Loss)	\$ 146,959	\$ (171,933)	\$ (24,974)
Adjustments to Reconcile Operating Income			
(Loss) to Net Cash Provided by (Used for)			
Operating Activities:			
Depreciation	85,015	-	85,015
Capital Contributions	-	-	-
Miscellaneous Nonoperating Revenues	-	214,317	214,317
Miscellaneous Nonoperating Expenses	(19,968)	(286)	(20,254)
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(20,739)	12,405	(8,334)
(Increase) Decrease in Due From Other Governments	26,911	-	26,911
(Increase) Decrease in Inventory	(24,237)	-	(24,237)
(Increase) Decrease in Prepaid Items	(531)	-	(531)
Increase in Deferred Revenue	310	-	310
Increase (Decrease) in Claims Payable	-	(227,204)	(227,204)
Increase (Decrease) Accounts Payable	(10,689)	(5,167)	(15,856)
Increase in Contracts Payable	(218)	-	(218)
Decrease in Closure & Postclosure Care Payable	(71,009)	-	(71,009)
Increase in Due to Other Government	173	-	173
Increase (Decrease) in Accrued Wages and Benefits Payable	(179)	-	(179)
Decrease in Due to Primary Government	-	-	-
Increase in Compensated Absences	(3,819)	-	(3,819)
Net Cash Provided by (Used for)			
Operating Activities	\$ 107,979	\$ (177,868)	\$ (69,889)

During 2002, the fair value of investments decreased by \$14,405 for Knox New Hope Industries.

<u>Component Units</u>		<u>Totals</u>
<u>Knox</u>	<u>Knox</u>	<u>(Memorandum</u>
<u>New Hope</u>	<u>County</u>	<u>Only)</u>
<u>Industries</u>	<u>Airport</u>	<u>Reporting</u>
		<u>Entity</u>
\$ 21,357	\$ 40,194	\$ 36,577
10,370	40,052	135,437
(1,250)	-	(1,250)
-	-	214,317
-	(7,301)	(27,555)
(5,470)	12,064	(1,740)
-	-	26,911
1,194	(658)	(23,701)
-	-	(531)
-	-	310
-	-	(227,204)
(169)	(9,865)	(25,890)
-	-	(218)
-	-	(71,009)
-	-	173
(36)	-	(215)
-	(14,528)	(14,528)
-	-	(3,819)
<u>\$ 25,996</u>	<u>\$ 59,958</u>	<u>\$ 16,065</u>

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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Note 1. Reporting Entity

Knox County, Ohio (The County) was created in 1808. The County is governed by a board of three commissioners elected by the voters of the County. Other officials elected by the voters of the County that manage various segments of the County's operations are the county auditor, treasurer, recorder, clerk of courts, coroner, engineer, prosecuting attorney, sheriff, a common pleas court judge, a probate/juvenile court judge and a county municipal court judge. The county commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrators of public services for the County, including each of these departments.

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

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For Knox County this includes the children services board, the board of mental retardation and developmental disabilities, the human services department and all departments and activities that are operated directly by the elected County officials.

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

The County participates in the **County Risk Sharing Authority (CORSA)**, a public entity risk sharing pool among thirty-three counties in Ohio. CORSA was formed as an Ohio non-profit corporation for the purpose of establishing the CORSA Insurance/self-insurance Program, a group primary and excess insurance/self-insurance and risk management program.

The County participates in the **County Commissioners Association of Workers' Compensation Group Rating Plan** established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

Joint Ventures:

The County participates in three joint ventures with other Ohio local governments.

Emergency Management Agency

The Emergency Management Agency is a joint venture among the County, twenty-two townships located within the County, six villages and one corporation.

Knox County, Ohio

Notes to the General Purpose Financial Statements
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Alcohol and Drug Addiction and Mental Health Board (ADAMH)

The ADAMH Board is a joint venture between Knox and Licking counties. The headquarters for the Mental Health Board is in Licking County.

Eastern Ohio Housing Corporation

The Knox County Department of Mental Retardation and Developmental Disabilities contracts with the Eastern Ohio Housing Authority to develop dwellings and provide affordable housing for persons with disabilities.

Jointly Governed Organizations:

The County participates in four jointly governed organizations with other Ohio local governments.

Joint Solid Waste District

The Joint Solid Waste District is a jointly governed organization among Delaware, Knox, Marion, and Morrow Counties. The purpose of the district is to make disposal of waste in the four county area more comprehensive in terms of recycling and land filling.

Mid Eastern Ohio Regional Council (MEORC)

MEORC is a jointly governed organization among fourteen county departments of mental retardation and developmental disabilities in Ohio.

Licking-Muskingum Community Based Correctional Facility (CBCF)

CBCF is a jointly governed organization among four counties. The purpose is to offer treatment, education, work and other rehabilitation services to convicted felons.

Morrow-Ashland-Richland-Knox Job Training Partnership Act (MARK-JTPA)

MARK-JTPA is a jointly governed organization among four counties. The purpose of MARK-JTPA is to administer a federal grant received by each of the four counties.

Further information regarding these joint ventures and jointly governed organizations is presented in Note 10 and Note 11.

Related Organizations:

Mid Ohio Transit Authority (M.O.T.A.)

One Commissioner is appointed to the total of a four person governing board of M.O.T.A. The Commissioners cannot influence M.O.T.A.'s operation nor does M.O.T.A. represent a potential financial benefit for or burden of the County. M.O.T.A. did receive funding in the amount of \$30,000 for 2002.

Public Library of Mount Vernon and Knox County

The Commissioners and Judge of Knox County Common Pleas appoints the governing board of the Library, however, the Commissioners and Judge cannot influence the Library's operation nor does the Library represent a potential financial benefit for or burden on the County. The Commissioners serve in a ministerial capacity as a taxing authority for the Library. Once the Library Board determines to present a levy to the voters, including the

Knox County, Ohio

Notes to the General Purpose Financial Statements
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determination of its rate and duration, the Commissioners must place the levy on the ballot. The Library determines its own budget. The library did not receive any funding from the County during 2002.

Discretely Presented Component Units:

The component units column in the combined financial statements identifies the financial data of the County's component units, Knox New Hope Industries, Inc. and Knox County Airport. They are reported separately to emphasize that they are legally separate from the County.

Knox New Hope Industries, Incorporated (the Workshop) is a non-profit workshop that consists of a Board of Trustees with expertise in industry, labor, education, civil administration, mental retardation and/or developmental disabilities. The Workshop provides employment, vocational training, occupational counseling and evaluation. Knox County Board of Mental Retardation and Developmental Disabilities provides for certain administrative costs of the Workshop with no charge to them. These costs are approved by the County Commissioners as part of the County Board of Mental Retardation and Developmental Disabilities' budget. Based on the significant services and resources provided by the County to the Workshop and the Workshop's sole purpose of providing assistance to the retarded and handicapped adults of Knox County, the Workshop is reflected as a component unit of Knox County because it would be misleading to exclude them. Complete financial statements may be obtained at the entity's administrative offices at 1375 Newark Road, Mount Vernon, Ohio.

Knox County Airport is situated on County owned land, and it is operated by a County appointed authority. The County has issued debt on behalf of the airport for the construction of hangar bays. The Airport is reflected as a component unit of the County. Complete financial statements may be obtained at the entity's administrative offices at 6481 Kinney Road, Mount Vernon, Ohio.

As 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. Accordingly the activity of the following districts and agencies is presented as agency funds within the County's financial statements:

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

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

Knox County, Ohio

Notes to the General Purpose Financial Statements
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Note 2. Summary of Significant Accounting Policies

The significant accounting policies followed in the preparation of these financial statements are summarized below. These policies conform to generally accepted accounting principles for local governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board and other recognized authoritative sources. The County also applies pronouncements of the Financial Accounting Standards Board issued on or before November 30, 1989, to its proprietary funds unless they contradict or conflict with GASB pronouncements. The information generally relates to the primary government. Information related to the Workshop and the Airport is specifically identified.

A. Basis of Presentation - Fund Accounting

The County uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain County functions or activities.

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the County are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

Governmental Fund Types:

Governmental funds are those through which most governmental functions of the County are financed. The acquisition, use and balances of the County's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the County's governmental fund types:

General Fund

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

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specific purposes.

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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Debt Service Funds

The debt service funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest and related costs and special assessment long-term debt principal, interest and related costs.

Capital Projects Funds

The capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund Types:

Proprietary funds are used to account for the County's ongoing activities which are similar to those found in the private sector. The County applies all applicable FASB pronouncements issued on or before November 30, 1989, in accounting and reporting for its proprietary operations unless they contradict or conflict with GASB pronouncements. The following are the County's proprietary fund types:

Enterprise Funds

The enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs (expenses including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

Internal Service Fund

The internal service fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis.

Fiduciary Fund Types:

Fiduciary funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The following is the County's fiduciary fund type:

Agency Funds

Agency funds are purely custodial (assets equal liabilities) and thus do not involve measurement of results of operations.

Account Groups:

To make a 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

The general fixed assets account group is used to account for all fixed assets of the County, other than those accounted for in the proprietary funds.

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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General Long-Term Debt Account Group

The general long-term debt account group is used to account for all long-term obligations of the County, except those accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g. revenues) and decreases (e.g. expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for the governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current year. The available period for the County is thirty-one days after year end. In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: earnings on investments, sales tax (see Note 8), federal and state grants and subventions, and charges for current services. Major revenue sources not susceptible to accrual include licenses and permits, and fines and forfeitures, which are not considered measurable until received.

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 the modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within thirty days of year end.

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

Knox County, Ohio

Notes to the General Purpose Financial Statements
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requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

The County reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Special assessments are recorded as deferred revenue because they do not meet the availability criteria. Property taxes measurable as of December 31, 2002, and delinquent property taxes, whose availability is indeterminable and which are intended to finance 2003 operations, have also been recorded as deferred revenue.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. Principal and interest on general and special assessment long-term debt are recorded as fund liabilities when due, and costs of accumulated unpaid vacation and sick leave are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

The proprietary funds are reported using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized at the time they are incurred. Unbilled service charges receivable are recognized as revenue at year end.

Component Units

The Workshop and the Knox County Airport use the full accrual basis of accounting similar to the proprietary funds of the County.

C. Budgetary Process

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 Workshop, Airport and seven funds of the County are being reported as part of the statements prepared using generally accepted accounting principles but were not budgeted by the County because they are outside of the appropriated budget and do not maintain separate budgetary financial records. The funds are Commissary, Revolving Loan, Law Enforcement, Drug Abuse Resistance Education, Calendar and Drug Enforcement Special Revenue Funds and Landfill Development Enterprise Fund. The primary level of budgetary control is at the object level within each department. Budgetary modifications may only be made by resolution of the County Commissioners.

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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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 reviews estimated revenue and determines if the budget substantiates a need to levy all or part of previously authorized taxes. 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 that more or less revenue will be received than originally estimated. The amounts reported on the budgetary statements reflect the amounts in the final amended official certificate of estimated resources issued during 2002.

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 legal level of control. 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. The allocation of appropriations among departments and objects within a fund may only be modified during the year by a resolution of the Commissioners. During 2002, supplemental appropriation resolutions were passed. The budget figures which appear in the statement of budgetary comparison represent the final appropriations amount 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. On the GAAP basis, encumbrances outstanding at year end are reported as reservations of fund balances for subsequent year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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Lapsing of Appropriations

At the close of the year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriations. The encumbered appropriation balance is carried forward to the succeeding fiscal year and need not be re-appropriated.

Budgetary Basis of Accounting

While reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law and described above is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Revised Code prohibits expenditures plus encumbrances from exceeding appropriations.

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances, Budget and Actual (Budget Basis), All Governmental Fund Types and the combined Statement of Revenues, Expenses, and Changes in Fund Equity, Budget and Actual (Budget Basis), All Enterprise Funds are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures/expenses (budget basis) rather than as reservation of fund balance for governmental fund types (GAAP basis). Material encumbrances are disclosed in the notes for proprietary fund types (GAAP basis).
4. Proceeds from and principal payments on short-term note obligations are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

A reconciliation of results of operations on the GAAP basis to the budget basis appears in Note 3.

D. Cash and Cash Equivalents and Investments

To improve cash management, cash received by the County Treasurer is pooled in a central bank account. Moneys for all funds, including proprietary funds, are maintained in this account or are temporarily used to purchase short term investments. Individual fund integrity is maintained through the County's records. Interest revenue earned by the primary government during 2002 amounted to \$409,050.

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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The County has invested funds in the STAR Ohio during 2002. STAR Ohio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price which is the price the investment could be sold for on December 31, 2002.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less are considered to be cash equivalents.

E. Inventories

Inventories of governmental funds are valued at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental fund types when purchased and as expenses in the proprietary fund types when used.

Reported supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets.

Component Units

Inventory of the Workshop and the Knox County Airport is valued at the lower of cost or market on a first-in, first-out basis and is expensed when used.

F. Prepaid Items

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

G. Interfund Assets and Liabilities

Receivables and payables resulting from transactions between funds for goods received or services provided are classified as "due from other funds" or "due to other funds" on the balance sheet as are amounts to be distributed from the agency funds to other funds of the County.

Short-term interfund loans or the short-term portion of advances are classified as "interfund receivables/payables." Long-term interfund loans are reported as advances to/from other funds and are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not components of net current assets.

Knox County, Ohio

Notes to the General Purpose Financial Statements
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H. Property, Plant, Equipment and Depreciation

1. General Fixed Assets Account Group

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group at historical cost or estimated historical cost. Assets in the general fixed assets account group are not depreciated. The County has established a capitalization threshold for fixed assets at \$1,000, except for land and computer hardware, in which all are capitalized.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements which extend the useful lives or increase the capacity or operating efficiency of the asset are capitalized at cost in the general fixed assets account group. Public domain (infrastructure) general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized or reported, as these assets are immovable and of value only to the County.

2. Enterprise Fund Fixed Assets

Property, plant, and equipment reflected in the enterprise funds and the Component Units are stated at historical cost (or estimated historical cost) and are updated for the cost of additions and retirements during the year.

Depreciation has been provided on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Enterprise</u>		
	<u>Funds</u>	<u>Workshop</u>	<u>Airport</u>
Buildings and Improvements	10-50 Years	N/A	10-50 Years
Machinery and Equipment	5-30 Years	5 Years	5-30 Years
Vehicles	5-10 Years	3 Years	5 Years
Computer Equipment	5 Years	N/A	5 Years
Sewer and Water Lines	50 Years	N/A	N/A
Shop Equipment	N/A	7 Years	N/A
Runway	N/A	N/A	50 Years

3. Valuation

Fixed asset values initially were determined at December 31, 1989, assigning original acquisition costs when such information was available. In cases when original costs were not practicably determinable, estimates were arrived at by indexing estimated current costs back to the estimated year of acquisition. Donated fixed assets are capitalized at estimated fair market value on the date donated.

Knox County, Ohio

Notes to the General Purpose Financial Statements
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I. Compensated Absences

The County complies with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate employees for the benefits through time off or some other means. Sick leave benefits are accrued using the termination payment method. An accrual for earned sick leave is made to the extent it is probable that the benefits will result in termination payments. The liability is an estimate based on the County's past experience of making termination payments.

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term debt account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

J. Long-Term Debt

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgements, compensated absences, and special termination benefits are reported as a liability in the general long-term obligations account group to the extent they will not be paid with current expendable available financial resources. Bonds are recognized as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

K. Contributed Capital

Contributed capital represents resources from other funds, other governments, and private sources provided to enterprise funds that is not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end. Capital contributions received after December 31, 2000 are recorded as revenue in the proprietary funds.

Because the County had not prepared financial statements in accordance with generally accepted accounting principles in years previous to 1990 the exact amount of contributed capital at December 31, 2002, pertaining to years prior to 1990 cannot be determined. Consequently, only those amounts that have been able to be identified specifically have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to the proprietary funds have been classified as retained earnings.

Knox County, Ohio

Notes to the General Purpose Financial Statements
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Component Unit - Airport Authority

The decrease in contributed capital is due to a loan agreement in 2002 whereby the Airport has agreed to repay funds originally contributed to the Airport by the County in 2000.

L. Reserves of Fund Equity

The County records reservations for portions of fund balance which are legally segregated for specific future use or which do not represent available, spendable resources and, therefore, are not available for appropriations for expenditures. Undesignated fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances, inventory, advances, loans receivable and due from component units.

M. Interfund Transactions

During the course of normal operations the County has numerous transactions between funds. The most significant include operating transfers and reimbursements. Transfers of resources from one fund to another fund through which resources are to be expended are recorded as operating transfers. Reimbursements from one fund to another fund are treated as expenditures/expenses in the reimbursing fund and reduction in expenditures/expenses in the reimbursed fund.

N. Risk Management

The County provides insurance coverage combined with its own risk management activities to organizations outside its reporting entity, however, the County is by far the predominant participant and the activity is reported as an internal service fund.

O. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "(Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. When the title of a statement indicates that component units are included, two total columns are presented. The first is captioned primary government to indicate that only those activities that comprise the County's legal entity have been included. The second is captioned reporting entity and includes the activity and operations of the County's legally separate discretely presented component units. See Note 1. The total column on statements which do not include component units has no additional caption.

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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Note 3. Conversion of Operations from Budget Basis to GAAP Basis

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

Excess of Revenues and Other Sources
Over (Under) Expenditures and Other Uses
Governmental Fund Types

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>
GAAP basis	\$ (394,344)	\$ (614,263)	\$ 57,074	\$(1,270,617)
Net adjustment for				
Revenue Accruals	537,714	60,833	146,358	183,237
Operating Transfers-In	(15,364)	--	--	--
Net Adjustments for				
Expenditure Accruals	(39,154)	(375,462)	(1,947)	(1,791,615)
Advances - In	--	7,306	--	--
Advances - Out	(7,000)	(306)	--	--
Operating Transfers-Out	140,211	--	--	--
Encumbrances	<u>(407,251)</u>	<u>(621,605)</u>	<u>--</u>	<u>(701,145)</u>
Budget Basis	<u>\$ (185,188)</u>	<u>\$ (1,543,497)</u>	<u>\$ 201,485</u>	<u>\$(3,580,140)</u>

Net Income (Loss)/Excess of Revenues
Over (Under) Expenses and Operating Transfers
Proprietary Fund Type

	<u>Enterprise</u>	<u>Internal Service</u>
GAAP Basis	\$ 453,617	\$ 80,574
Net Adjustments for Revenue Accruals	189,210	(1,097)
Net Adjustments for Tap-in Fees	(177,035)	--
Net Adjustments for Expense Accruals	(102,048)	(218,933)
Net Adjustments for Operating Transfers	(124,847)	--
Depreciation	85,015	--
Sale of Fixed Assets	(12,514)	--
Encumbrances	<u>(78,278)</u>	<u>--</u>
Budget Basis	<u>\$ 233,120</u>	<u>\$(139,456)</u>

Knox County, Ohio

Notes to the General Purpose Financial Statements
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Note 4. Fund Deficits

The following funds had a deficit fund balance/retained earnings as of December 31, 2002:

Special Revenue Funds:

Time Out Program	1,628
Truancy Mediation	802
Litter Control & Recycling	856
Home	975

Capital Project Funds:

Board of Health Center	39,697
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Internal Service Fund:

County Health Insurance Fund	351,439
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Enterprise Funds:

Landfill Development	2,297,243
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The deficits in the Time Out Program, Truancy Mediation, Litter & Recycling, Home, Board of Health Center, and Internal Service Funds are the result of the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides transfers to cover deficit fund balances, however, this is done when cash is needed rather than when accruals occur. The deficit in the Landfill Development is partially the result of the recognition of payables in accordance with generally accepted accounting principles. Management is analyzing the operations of the funds to determine appropriate steps to eliminate the deficits.

Internal Service Fund:

In 2002, the County Commissioners increased health insurance fees to help cover the deficit situation. The County Commissioners also advanced \$300,000 from the General Fund to the Self-Insurance Fund in 2001. The Commissioners anticipate repayment to the General Fund in 2003 and 2004.

Note 5. Deposits and Investments

Primary Government

The County maintains a cash and investment pool used by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Equity in Pooled Cash and Cash Equivalents."

Protection of the County's cash and investments may be provided by the Federal Deposit Insurance Corporation, by qualified securities pledged by the institution holding the assets, by surety company bonds deposited with the treasurer by the financial institution, or a single collateral pool to cover all public deposits. The face value of the pooled collateral must equal at least 105 percent of the public funds deposited. Collateral is held by trustees including the Federal Reserve Bank and designated third party trustees of the financial institutions.

Knox County, Ohio

Notes to the General Purpose Financial Statements
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Ohio law requires the classification of monies held by the County into two categories. The first classification consists of "active" monies, those monies required to be kept in a "cash" or "near-cash" status for current demands upon the County Treasury, in depository accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

The second classification consists of "inactive" monies. Inactive monies may be deposited or invested in the following securities:

1. Bonds, notes, or other obligations of or guaranteed by the United States, or those for which the faith of the United States is pledged for the payment of principal and interest;
2. Bond, notes, debentures, or other obligations or securities issued by any federal government agency or instrumentality;
3. Written repurchase and reverse repurchase agreements in the securities enumerated above;
4. Time certificates of deposits or savings or deposit accounts;
5. Bonds and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of the State or its political subdivisions;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreement 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).

The County is required by Statement No. 3 of the GASB entitled "Deposits with Financial Institutions, Investments and Reserve Repurchase Agreements" to classify deposits and investments to give an indication of the level of credit risk assumed by the County at year end.

A. Deposits

At year-end, the carrying amount of the County's deposits was \$9,704,482 and the bank balance was \$10,203,567. Of the bank balance:

1. \$658,023 was covered by federal depository insurance, or by collateral held by the County's agent in the County's name.
2. \$2,292,117 was insured or collateralized with securities held by the County's agent in the County's name.
3. \$7,253,427 was uninsured and uncollateralized. Although all state statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by the FDIC.

Knox County, Ohio

Notes to the General Purpose Financial Statements
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B. Investments

STAR Ohio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form.

	Carrying Value	Fair Value
Investment in State Treasurer's Investment Pool	\$10,226,414	\$10,226,414

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 classifications per GASB statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9 State Treasurers Investment Pool	\$19,930,896 <u>(10,226,414)</u>	-- <u>10,226,414</u>
GASB Statement 3	<u>\$ 9,704,482</u>	<u>\$10,226,414</u>

Component Units

At year end, the carrying value of the Knox New Hope Industries, Inc. deposits was \$83,034 and the bank balance was \$84,096. The entire bank balance was covered by federal depository insurance. There are no statutory guidelines regarding the deposit and investment of funds by the not-for-profit corporation. Cash and deposits of the Workshop are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts" and "Cash and Cash Equivalents with Fiscal and Escrow Agents." New Hope Industries, Inc. invests in open-ended mutual funds, which are presented at the fair market value at December 31, 2002.

At year end, the carrying value of the Knox County Airport's deposits was \$220,456 and the bank balance was \$234,733. The entire bank balance was covered by federal depository insurance. Cash and deposits of the Airport are presented on the financial statements as "Cash and Cash Equivalents in Segregated Accounts." The Airport follows similar guidelines for deposit and investment of funds for the County.

Note 6. Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Taxes collected on real property (other than public utility) in one calendar year are levied as of October 1 in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by the County Auditor at 35 percent of appraised market value. All property is required to be revalued every six years. The last revaluation was completed in 2002. Real property taxes are payable annually or semiannually. The first payment is due December 31, with the remainder payable by June 20.

Knox County, Ohio

Notes to the General Purpose Financial Statements
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Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during and at the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the tax rates determined in the preceding year. Tangible personal property used in business (except for public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at eighty-eight percent of its true value. Public utility property taxes are payable on the same dates as real property taxes described previously.

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Collections of the taxes and remittance of them to the taxing districts are accounted for in various agency funds of the County.

The collection and distribution of taxes for the County and for all subdivisions within the County is accounted for through agency funds of the County. The amount of the County's tax collections which will flow through an agency fund is reported as "Taxes Receivable" on the combined balance sheet in both the agency fund and the governmental fund which will receive the tax distribution.

Accrued property taxes receivable represent delinquent taxes outstanding and real, tangible personal, and public utility taxes which were measurable as of December 31, 2002. Although total property tax collections for the next fiscal year are measurable, amounts to be received during the available period are not subject to reasonable estimation at December 31 and are not intended to finance 2002 operations. The receivable is therefore offset by a credit to deferred revenue.

The full tax rate for all County operations for the year ended December 31, 2002, was \$8.70 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2002 property tax receipts were based are as follows:

Real Property	\$707,735,890
Public Utility Personal Property	38,253,630
Tangible Personal Property	<u>97,689,164</u>
Total Assessed Value	<u>\$843,678,684</u>

Note 7. Permissive Sales and Use Tax

In 1971, the County Commissioners by resolution imposed a one-half percent sales tax. In 1993, the County Commissioners imposed an additional one quarter percent tax on all retail sales to fund the 9-1-1 Emergency Calling System and, in 1994, the County Commissioners imposed a quarter percent tax on all retail sales made in the County for the general operations of the County. The State Tax Commissioner certifies to the State

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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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 the month. The State Auditor then has five days in which to draw the warrant payable to the County.

Amounts that are measurable and available at year-end are accrued as revenue. Sales tax revenue in 2002 amounted to \$4,278,491 with the \$3,210,143 credited to the General Fund and \$1,068,348 credited to the 9-1-1 Emergency Calling System Special Revenue Fund.

Note 8. Receivables

Receivables at December 31, 2002, consisted of taxes, interest, special assessments, accounts, (billings for user charged services, including unbilled utility services), loans, intergovernmental receivables arising from grants, entitlements and shared revenues and child support. All receivables except Apple Valley special assessments are considered collectible in full. Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for nonpayment. It is estimated that \$103,770 of the \$593,482 special assessments remaining are uncollectible leaving a receivable of \$489,712.

A summary of the principal items of intergovernmental receivables (Due from other governments) follows:

<u>Intergovernmental Receivables</u>	<u>Amount</u>
General Fund	
Municipal Court Fines & Costs	\$ 3,547
Election Costs Receivable	3,715
Sheriff's Contracts	23,324
Animal Control & Humane Officer Reimb	13,423
Homestead & Rollback Reimb	143,143
Settlement Administration Fee	19
DKMM Grant	2,450
Public Defender Reimbursement	14,110
Corsa	<u>9,460</u>
Total General Fund	<u>213,191</u>
Special Revenue Funds	
Cents Per Gallon	480,492
Motor Vehicle District Registration	160,081
County Motor Vehicle	323,785
Road Miles	146,992
5% County Equalization	67,736
New Permissive	201,660
Old Permissive	92,593
Public Assistance Title XX Reimb	300,000
Public Assistance Grant	2,791,908
Children Services Homestead & Rollback Reimb	46,423
Children Services Grant	703,170
Child Abuse Prevention Grant	5,055
Litter Grant	13,610
Youth Services Grant	328,991
Child Support Enforcement Agency Grant	8,712

Knox County, Ohio

Notes to the General Purpose Financial Statements
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<u>Intergovernmental Receivables (Continued)</u>	<u>Amount</u>
Truancy Mediation Grant	5,130
VOCA Grant	18,924
Jail Diversion Grant	25,237
Gasoline Tax	242,914
Home Grant	69,327
Municipal Court Fines & Costs	<u>1,741</u>
Total Special Revenue Funds	<u>6,034,481</u>
 Capital Projects Funds	
Beckley Road Project Grant	211,215
CDBG Grant	<u>224,015</u>
Total Capital Projects Funds	<u>435,230</u>
 Agency Funds	
Local Government	801,308
Revenue Assistance	193,793
Library Local Government	748,939
Cents Per Gallon	382,066
Motor Vehicle Registration	74,147
Township Road Miles	90,295
New Permissive	58,232
Old Permissive	47,963
Municipal Court Fines & Costs	2,384
Workers Compensation	6,513
Community Health Homestead & Rollback Reimb	30,341
Gasoline Tax	<u>193,557</u>
Total Agency Funds	<u>2,629,538</u>
 Grand Total	 <u>\$ 9,312,440</u>

Note 9. Fixed Assets

A summary of the enterprise funds', the Workshop's and the Airport's fixed assets at December 31, 2002, follows:

	Total Primary Government <u>Enterprise</u>	Knox New Hope <u>Industries</u>	Knox County <u>Airport</u>
Land	\$ 236,839	\$ --	\$ 744,837
Buildings and Improvements	901,956	--	777,452
Machinery and Equipment	370,816	70,240	541,099
Vehicles	172,572	63,676	41,000
Computer Equipment	31,506	1,219	1,522
Sewer and Water Lines	2,009,927	--	--
Construction in Progress	--	--	3,730
Less accumulated depreciation	<u>(1,225,257)</u>	<u>(104,434)</u>	<u>(248,177)</u>
Total	<u>\$2,498,359</u>	<u>\$ 30,701</u>	<u>\$1,861,463</u>

A summary of the changes in general fixed assets during 2002 follows:

Knox County, Ohio

Notes to the General Purpose Financial Statements
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	Balance January 1, <u>2002</u>	Additions	Deductions	Balance December 31, <u>2002</u>
Land	\$ 906,603	\$ 39,989	\$ 16,333	\$ 930,259
Buildings and Improvements	13,699,153	10,626,867	56,434	24,269,586
Vehicles	2,441,033	218,448	184,161	2,475,320
Machinery and Equipment	3,121,760	584,042	269,216	3,436,586
Computer Equipment	979,640	53,465	42,325	990,780
Construction in Progress	<u>8,559,395</u>	<u>665,815</u>	<u>8,559,395</u>	<u>665,815</u>
Total	<u>\$29,707,584</u>	<u>\$12,188,626</u>	<u>\$9,127,864</u>	<u>\$32,768,346</u>

Note 10. Joint Ventures

A. Emergency Management Agency

The Emergency Management Agency is a joint venture among the County, twenty-two townships located within the County, six villages and one corporation. The Board is composed of at least the following seven members: One county commissioner representing the board of county commissioners entering into the agreement; five chief executives representing the municipal corporations and townships entering into the agreement; and one non-elected representative.

The Agency does not have any outstanding debt. The County contributed \$30,000 to the Agency during 2002. The County has an ongoing financial responsibility for the agency in that the existence of the Agency depends upon the continuing participation of the County. The Agency is not accumulating significant financial resources nor experiencing fiscal stress that may cause an additional benefit or burden to the County. The Agency is reported as a special revenue fund within the County. Separate financial statements are available by contacting the Agency at 117 East High Street, Mount Vernon, Ohio.

B. Alcohol and Drug Addiction and Mental Health Board (ADAMH)

The ADAMH Board is a joint venture between Knox and Licking counties. The headquarters for the ADAMH Board is in Licking County. The Board provides community services to mentally ill and emotionally disturbed persons. Statutorily created, the ADAMH Board is made up of 15 members, with 10 appointed by the county commissioners and five by the State Director of Mental Health. These appointments are based on county population, with the largest county in population having the most appointed members. With respect to the county's population, two of the five members appointed by the State Director of Mental Health are from Knox County, and three of the 10 appointed by the county commissioners are from Knox County. Revenues to provide mental health services are generated through a one mill district wide tax levy and through state and federal grants. The Board does not have any outstanding debt. The Board is not accumulating significant financial resources nor experiencing fiscal stress that may cause an additional benefit or burden to the County. The existence of the Board depends upon the continuing participation of the County. The County collected \$646,357 in property taxes for the Board during 2002.

Separate financial statements may be obtained by contacting the ADAMH Board at 65 Messmore Drive, Newark, Ohio.

Knox County, Ohio

Notes to the General Purpose Financial Statements
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C. Eastern Ohio Housing Corporation

The Knox County Board of Mental Retardation and Developmental Disabilities (MRDD), along with five other county boards of mental retardation and developmental disabilities, entered into a contract with the Eastern Ohio Housing Corporation. This Corporation is a non-profit charitable corporation which is responsible for developing dwellings, providing affordable housing and managing a range of residential alternatives and support services to persons with disabilities. The housing purchases are financed by State grants that are distributed to each MRDD Board and then to the Corporation. No contributions were made by the County during 2002. The Corporation is a joint venture among the Counties because of the potential liability for the housing loans upon the Corporation's default on loans or dissolution. Upon dissolution of the Corporation, the Corporation shall distribute all remaining assets of the operation to the participating County Boards of Mental Retardation and Developmental Disabilities. Information can be obtained from Eastern Ohio Housing Corporation, 340 Fox Shannon Place, St. Clairsville, Ohio.

Note 11. Jointly Governed Organizations

A. Joint Solid Waste District

The Joint Solid Waste District is a jointly governed organization among Delaware, Knox, Marion and Morrow Counties. Each of these governments supports the District. The County made no contributions during 2002. The degree of control exercised by any participating County is limited to its representation on the Board. The Board of Directors consists of twelve members, the three county commissioners of each of the four counties. The District does not have any outstanding debt. The District is self-sufficient, operating entirely on collected fees.

B. Mid Eastern Ohio Regional Council (MEORC)

The Mid Eastern Ohio Regional Council of Governments (MEORC) is a jointly governed organization among fourteen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents in the participating counties. The Council is made up of the superintendents of each county's Board of Mental Retardation and Developmental Disabilities. Revenues are generated by fees and state grants. The Council does not have any outstanding debt. No contributions were made by the County in 2002.

MEORC has contracted with Knox County to provide payroll services for seven employees of the Council. MEORC reimburses the County for any expenditures incurred. At December 31, 2002, MEORC owed the County \$253,020.

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

The Licking-Muskingum Community Based Correctional Facility (CBCF) is a four county facility created pursuant to Ohio Revised Code Section 2301.51. The CBCF serves Licking, Muskingum, Coshocton and Knox counties. The CBCF was formed in 1994 to offer treatment, education, work and other rehabilitation services to convicted felons within the four counties. The CBCF is governed by a seven member board comprised of two common pleas court judges from Licking, Muskingum and Coshocton Counties and one common pleas court judge from Knox County. The common pleas judges and the respective county commissioners

Knox County, Ohio

Notes to the General Purpose Financial Statements
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appoint a thirteen member citizens advisory board to assist in the operation of the CBCF. The board has total control over budgeting, personnel, and financial matters. The CBCF receives funding in the form of state grant monies which are used to provide the various services of the CBCF. Licking County serves as fiscal agent for the CBCF. During 2002, the CBCF received no monies from Knox County. The continued existence of the CBCF is not dependent on the County's continued participation and the County does not have an equity interest in or a financial responsibility for the CBCF. The CBCF has no outstanding debt.

D. Morrow-Ashland-Richland-Knox Consortium

Knox County is a participant in the Morrow-Ashland-Richland-Knox Consortium (MARK), a regional council of governments established to conduct an employment and training administration program under the provisions of the Job Training Reform Amendment of 1992. The Consortium Board of MARK consists of the three county commissioners from each of the four participating counties. The Consortium Board is responsible for the administration, operation, and success of the job training program. Financial information can be obtained from MARK, 1495 West Longview Avenue, Suite 101, Mansfield, Ohio, 44906.

Note 12. Risk Management

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

Each member County has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the Corporation are managed by an elected board of not more than nine trustees. Only county commissioners of member counties are eligible to serve on the board. No county may have more than one representative on the board at any time. Each member county's control over the budgeting and financing of CORSA is limited to its voting authority and any representation it may have on the board of trustees. The County paid \$171,078 in the form of insurance premiums during 2002 to CORSA.

The County is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees and natural disasters. The County contracted with County Risk Sharing Authority (CORSA) for liability, property and crime insurance. The CORSA program has a \$2,500 deductible.

General liability insurance is maintained in the amount of \$1,000,000 for each occurrence. Other liability insurance includes \$100,000 for Ohio Stop Gap, which provides additional coverage beyond the State's workers' compensation program, \$1,000,000 for employee benefit liability, \$1,000,000 for law enforcement professional liability, \$1,000,000 for public official error and omission liability, \$1,000,000 for automobile liability, and \$250,000 for uninsured motorists liability.

Knox County, Ohio

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In addition, the County maintains replacement cost insurance on buildings and contents. Other property insurance includes: \$1,000,000 for extra expenses, data processing equipment, contractor's equipment and miscellaneous equipment, \$1,000,000 for valuable papers and records, actual cash value for automobile physical damage, and \$1,000,000 for flood and earthquake damage. Comprehensive boiler and machinery coverage is carried in the amount of \$50,000,000.

The County also maintains crime insurance on its food stamp program, its monies and securities, and potential employee dishonesty. Respectively, the crime insurance is held in the amounts of \$250,000, \$250,000, and \$250,000.

With the exception of health insurance, workers' compensation, and all elected officials bonds, all insurance is held with CORSA. The amount of settlements has not exceeded insurance coverage in any of the past three years.

The County has elected to provide employee medical/surgical and dental benefits 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.

The liability for unpaid claims costs of \$361,409 reported in the fund at December 31, 2002 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that 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 liability is based on an estimate provided by the third party administrator.

	<u>12/31/01</u>	<u>12/31/02</u>
Claims Payable Beginning of Year	\$ 436,023	\$ 588,613
Claims Incurred	2,482,619	3,305,089
Claims Paid	(2,330,029)	(3,532,293)
Claims Payable End of Year	<u>\$ 588,613</u>	<u>\$ 361,409</u>

The County participates in the Workers' Compensation program provided by the State of Ohio. The County belongs to a pool with 50 other Ohio counties (County Commissioners Association of Ohio) for a workers' compensation group rating program. The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. A group executive committee consists of seven members and is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing fees, and determining eligibility of each participant.

Note 13. Defined Benefit Retirement Plans

A. Public Employees Retirement System

All Knox County full-time employees, other than teachers, participate in the Public Employees Retirement System of Ohio (PERS), a cost sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Board. PERS provides basic retirement and disability benefits, annual cost of living adjustments, and death

Knox County, Ohio

Notes to the General Purpose Financial Statements
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benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. PERS issues a stand-alone financial report that may be obtained by writing to the Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642.

Plan members, other than those engaged in law enforcement, are required to contribute 8.5 percent of their annual covered salary to fund pension obligations; law enforcement employees contribute 9 percent. For plan members, other than those engaged in law enforcement, the County was required to contribute 13.55 percent of covered salary for 2002. The County contribution for law enforcement employees for 2002 was 16.7 percent. Contributions are authorized by State statute. The contribution rates are determined actuarially. The County's contributions to PERS for the years ended December 31, 2002, 2001, and 2000 were \$1,910,026, \$1,718,447, and \$1,070,094, respectively; 85.16 percent has been contributed for 2002 and 100 percent has been contributed for 2001 and 2000. The unpaid contribution for 2002 is recorded as a liability in the respective funds and the general long-term obligations account group.

B. State Teachers Retirement System

Certified teachers employed by the school for the Mental Retardation and Developmental Disabilities, participate in the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system administered by the State Teachers Retirement Board. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, OH 43215-3771.

Plan members are required to contribute 9.25 percent of their annual covered salary to fund pension obligations and the County is required to contribute 4.75 percent. Contribution rates are established by STRS, upon recommendation of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The County's contributions to STRS for the years ended December 31, 2002, 2001, and 2000 were \$27,997, \$26,038, and \$24,490, respectively; 96.06 percent has been contributed for 2002 and 100 percent has been contributed for 2001 and 2000. The unpaid contribution for 2002 is recorded as a liability in the respective fund.

Note 14. Postemployment Benefits

A. Public Employees Retirement System

The Public Employees Retirement System of Ohio (PERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit and primary survivor recipients of such retirees. Health care coverage for disability recipients is available. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit (OPEB) as described in GASB Statement No. 12, "Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers". A portion of each employer's contribution to PERS is set aside for the funding of postretirement health care based on authority granted by State statute. The employer contribution rate for 2002 is 13.55 percent of covered payroll for employees not engaged in law enforcement; 4.3 percent was the portion

Knox County, Ohio

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that was used to fund health care. The employer contribution rate for law enforcement employees for 2002 was 16.7 percent; 4.3 percent was used to fund health care.

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 4.75 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .54 percent and 5.1 percent based on additional annual pay increases. Health care premiums were assumed to increase 4.75 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.

The number of active contributing participants was 411,076. The County's actual contributions for 2002 which were used to fund postemployment benefits were \$603,886. The actual contribution and the actuarially required contribution amounts are the same. PERS's net assets available for payment of benefits at December 31, 2000, (the latest information available) were \$11,735.9 million. The actuarially accrued liability and the unfunded actuarial accrued liability were \$14,364.6 million and \$2,628.7 million, respectively.

B. State Teachers Retirement System

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

Benefits are funded on a pay-as-you-go basis. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds shall be included in the employer contribution rate, currently 14 percent of covered payroll. The Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the County, this amount equaled \$8,959 for 2002.

STRS pays health care benefits from the Health Care Reserve Fund. The balance in the Fund at June 30, 2002, was \$3.011 billion. For the year ended June 30, 2002, net health care costs paid by STRS were \$354,697,000 and there were 105,300 eligible benefit recipients.

Note 15. Other Employee Benefits

A. Compensated Absences

County employees earn vacation and sick leave at varying rates depending on length of service and department policy. All accumulated, unused vacation time and compensatory time is paid upon separation if the employee has acquired at least one year of service with the County. Twenty-five percent up to a maximum of thirty days accumulated unused sick leave is paid to employees upon retirement after ten years of service. As of

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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December 31, 2002, the liability for compensated absences was \$802,532 for the entire County.

Note 16. Capital Leases - Lessee Disclosure

Two capital leases were entered into during 2001 for copying equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases", which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the general purpose financial statements for the governmental funds. Equipment acquired by lease has been capitalized in the general fixed assets account group in the amount of \$7,570 for the copier for the Tax Map Department and \$8,160 for the copier for the Engineer's Office, which is equal to the lesser of the fair market value or the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term debt account group. Principal payments in 2002 totaled \$1,382 for the copier for the Tax Map Department and \$1,488 for the copier for the Engineer's Office.

Future minimum lease payments as of December 31, 2002 are as follows:

<u>Year</u>	<u>Map Dept</u> <u>Amount</u>	<u>Engineer</u> <u>Amount</u>
2003	\$1,798	1,941
2004	1,798	1,941
2005	1,798	1,941
2006	<u>449</u>	<u>485</u>
Total	5,843	6,308
Less Amount Representing Interest	(632)	(687)
Present Value of Minimum Lease Payments	<u>\$5,211</u>	<u>\$5,621</u>

Note 17. Long-Term Debt

Changes in the County's long-term obligations during the year consisted of the following:

	<u>Outstanding</u> <u>12/31/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u> <u>12/31/02</u>
General Long-Term Debt:				
Special Assessment Debt				
Series 1982 11.125% Sewer District Improvement Bonds	95,000	--	80,000	15,000
Series 1984 9.5% Sewer District Improvement Bonds	255,000	--	85,000	170,000
Series 1985 8.375% Sewer District Improvement Bonds	<u>345,000</u>	<u>--</u>	<u>85,000</u>	<u>260,000</u>
Total Special Assessment Bonds	<u>\$ 695,000</u>	<u>\$ --</u>	<u>\$ 250,000</u>	<u>\$ 445,000</u>

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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	<u>Outstanding</u> <u>12/31/01</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding</u> <u>12/31/02</u>
General Obligation Bonds				
Children's Resource Center 5.02%	1,080,000	--	45,000	1,035,000
Corporate Center 5.277%	2,130,000	--	90,000	2,040,000
Correctional Facility 5.04%	6,580,000	--	220,000	6,360,000
Board of Health Center 5.05%	1,645,000	--	55,000	1,590,000
JFS Training Center 4.75%	<u> --</u>	<u>1,360,000</u>	<u> --</u>	<u>1,360,000</u>
Total General Obligation Bonds	<u>\$11,435,000</u>	<u>\$1,360,000</u>	<u>\$ 410,000</u>	<u>\$12,385,000</u>
Installment Note				
General Fund:				
Board of Elections - Voting Machines	<u>280,000</u>	<u> --</u>	<u>50,000</u>	<u>230,000</u>
Capital Lease				
General Fund:				
Tax Map Department - Copier	6,593	--	1,382	5,211
Motor Vehicle and Gasoline Tax Fund: Engineer - Copier	<u>7,109</u>	<u> --</u>	<u>1,488</u>	<u>5,621</u>
Total Capital Leases	<u>\$ 13,702</u>	<u>\$ --</u>	<u>\$ 2,870</u>	<u>\$ 10,832</u>
Compensated Absences	<u>\$ 750,714</u>	<u>\$ 33,396</u>	<u>\$ --</u>	<u>\$ 784,110</u>
Total General Long-Term Debt	<u>\$ 13,174,416</u>	<u>\$1,393,396</u>	<u>\$ 712,870</u>	<u>\$13,854,942</u>
Enterprise Fund Debt:				
Sewer District Fund:				
OWDA Loan	<u>76,196</u>	<u> --</u>	<u>1,698</u>	<u>74,498</u>

The capital leases will be paid from the general and special revenue funds. The Board of Elections note installment for the voting machines will be paid from the general fund. The Corporate Center Bonds and the JFS Training Center bonds will be paid from the Department of Human Services, which is mostly funded by levies passed by the voters. The Children's

Knox County, Ohio

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Resource Center bonds will be paid by a lease with Boy's Village Inc. If Boy's Village Inc. does not pay their lease, the bonds will be paid by Children Services monies. The OWDA loan will be paid through special assessments. The special assessment bonds will be paid from the proceeds of special assessments levied against benefitted property owners. In the event that a property owner would fail to pay the assessment, payment would be made by the County. Compensated absences are reported in the Compensated Absences Payable account and will be paid from the fund from which the employee is paid.

Special assessment bonded debt service requirements to maturity, including \$53,194 of interest; Board of Elections note installment requirements to maturity, including \$30,420 of interest; Corporate Center bond requirements to maturity, including \$976,435 of interest; Children's Resource Center bond requirements to maturity, including \$484,243 of interest; Correctional Facility bond requirements to maturity, including \$3,425,314 of interest; Board of Health Center bond requirements to maturity, including \$856,329 of interest; JFS Training Center bond requirements to maturity, including \$687,570 of interest; and the OWDA Loan requirements to maturity, including \$57,638 of interest are as follows:

Year Ending <u>December 31</u>	Special Assessment <u>Amount</u>	Board of Elections <u>Amount</u>	Corporate Center <u>Amount</u>	Children's Resource <u>Amount</u>
2003	226,828	66,960	201,700	95,007
2004	271,366	64,100	202,330	93,050
2005		66,240	202,630	96,070
2006		63,120	202,590	93,845
2007			202,255	96,595
2008-2012			1,003,905	477,425
2013-2017			1,001,025	472,750
2018-2022				94,500

Year Ending <u>December 31</u>	Correctional Facility <u>Amount</u>	Board of Health <u>Amount</u>	JFS Training Center <u>Amount</u>	OWDA Loan <u>Amount</u>
2003	516,488	129,122	102,530	5,911
2004	516,508	129,127	101,530	5,911
2005	516,366	129,092	100,530	5,911
2006	515,460	128,865	104,455	5,911
2007	514,010	128,503	103,108	5,911
2008-2012	2,571,282	642,821	514,115	29,555
2013-2017	2,577,800	644,450	508,803	29,555
2018-2022	2,057,400	514,350	512,500	29,555
2023-2025				14,777

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

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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The effects of the debt limitations described above at December 31, 2002, are an overall debt margin of \$13,566,967; and an unvoted debt margin of \$2,411,786.

Note 18. Notes Payable and Loans Payable

Primary Government

Notes payable as of 12/31/02 are summarized as follows:

	JFS Training Center
1/1/02 Principal	
Outstanding	\$1,300,000
Additions	--
Reductions	1,300,000
Principal Outstanding	
12/31/02	\$ --
Maturity Date	10/24/02
Interest Rate	2.88%

The County constructed a Job & Family Services Training Center. This note was bonded in October 2002.

Component Units

At December 31, 2002, the Knox County Airport had \$136,900 in revenue bonds outstanding which were used to remove and replace fuel tanks. The original bonds issued were for \$158,000 and the bonds bear an interest rate of 4.75 percent. The bonds will mature in installments over 20 years. The Knox County Airport also has loans payable to the Primary Government outstanding at December 31, 2002, in the amount of \$289,726 that were issued to construct new hangar bays, storage building and land purchase. These loans will be repaid over the next 25 years and is non-interest bearing.

Note 19. Interfund Transactions

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

<u>Due from/Due to Other Funds:</u>	<u>Recipient</u>	<u>Payer</u>
General Fund	\$ 499,974	\$ 111,893
Special Revenue Funds:		
Juvenile Court Social Workers	928	--
Child Support Enforcement Agency	--	55,894
Motor Vehicle & Gas Tax	--	12,255
Public Assistance	120,010	928
Children Services	--	83,850
Total Special Revenue Funds	120,938	152,927
Debt Service:		
Bond Retirement	111,893	--

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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<u>Due from/Due to Other Funds:</u> (Continued)	<u>Recipient</u>	<u>Payer</u>
Agency Funds:		
Local Government	--	467,885
Lodging Tax	--	100
Total Agency Funds	<u> --</u>	<u>467,985</u>
Total Due from/Due to Other Funds	<u>\$ 732,805</u>	<u>\$ 732,805</u>
 <u>Advance from/to Other Funds</u>		
General Fund	<u>\$ 300,000</u>	<u>\$ --</u>
 Internal Service:		
Self-Insurance Fund	--	\$ 300,000
Total Advance from/to Other Funds	<u>\$ 300,000</u>	<u>\$ 300,000</u>
 <u>Interfund Receivables/Payables:</u>		
General Fund	<u>\$ 7,000</u>	<u>\$ --</u>
 Special Revenue Funds:		
Time Out Program	--	219
After Hours Probation	--	87
Juvenile Court Social Workers	306	--
Ditch Maintenance	--	7,000
Total Special Revenue Funds	<u>306</u>	<u>7,306</u>
Total Interfund Payables/Receivables	<u>\$ 7,306</u>	<u>\$ 7,306</u>

Note 20. Segment Information for Enterprise Funds

The County maintains two enterprise funds, sewer district and landfill development, which are intended to be self-supported through user fees charged to consumers. Financial information as of and for the year ended December 31, 2002, is as follows:

	<u>Sewer District</u>	<u>Landfill Development</u>	<u>Total Primary Government</u>
Operating Revenues	\$929,591	\$ --	\$929,591
Operating Expenses Before Depreciation	650,459	47,158	697,617
Depreciation Expense	85,015	--	85,015
Operating Income (Loss)	194,117	(47,158)	146,959
Total Non-Operating Revenues (Expenses)	181,811	--	181,811
Operating Transfers-In	--	140,211	140,211
Operating Transfers-Out	(15,364)	--	(15,364)

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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	<u>Sewer District</u>	<u>Landfill Development</u>	<u>Total Primary Government</u>
Net Income	360,564	93,053	453,617
Fixed Assets			
Additions	108,011	--	108,011
Deletions	52,209	--	52,209
Net Working Capital	1,336,814	62,689	1,399,503
Total Assets	3,761,370	205,878	3,967,248
Capital Contributions			
Tap-In Fees in Excess of Costs	177,035	--	177,035
Compensated Absences Payable	18,422	--	18,422
Closure and Postclosure Costs	--	2,359,932	2,359,932
Total Equity (Deficit)	3,617,511	(2,154,079)	1,463,432
Encumbrances Outstanding at December 31, 2002	78,278	--	78,278

Note 21. Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

Several claims and lawsuits are pending against the County. In the opinion of the County Prosecutor and outside counsel, ultimate disposition of these claims and lawsuits will not have a material effect, if any, on the financial condition of the County.

Note 22. Food Stamps

The County's Department of Human Services distributed, through contracting issuance centers, federal food stamps to entitled recipients within Knox County. The receipt and issuance of these stamps have the characteristics of federal "grants"; however, the Department of Human Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. The County's Department of Human Services had on hand for distribution approximately \$4,556 of federal food stamps at December 31, 2002.

Note 23. Contractual Commitments - Landfill Closure

The County closed the landfill in compliance with the requirements set by the Environmental Protection Agency (EPA) on September 30, 1993. The recognition of a liability for closure

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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and postclosure care costs is based on landfill capacity used to date. The County is at 100% capacity. The County Commissioners have awarded contracts as of December 31, 2002 for engineering, monitoring, and testing the landfill closure requirements to Bennett & Williams, Inc. and MASI, Inc. to ensure that requirements are being met. No assets are restricted for payment of closure and postclosure care costs. There is an estimate for postclosure until the year 2023. The estimated costs of postclosure care are subject to changes corresponding to the effects of inflation, revision of laws and other variables. The costs of monitoring the Landfill will be covered by a transfer from the General Fund to the Landfill Development Fund.

Note 24. Related Party Transactions

During 2002 Knox County provided facilities, certain equipment, transportation, and salaries for administration, implementation, and supervision of programs to New Hope Industries, Inc., (the "workshop"), a discretely presented component unit of Knox County. The Workshop reported \$35,946 for such contributions, recording revenue and expenses at cost or fair value, as applicable, to the extent the contribution is related to the vocational purposes of the workshop. Additional habilitative services provided directly to Workshop clients by Knox County amounted to \$792,923 during 2002.

Knox County issued notes on behalf of the Knox County Airport, a discretely presented component unit of Knox County, for the construction of airport hangar bays. The Airport will give the County the money needed to pay the debt as the principal and interest payments become due. Due from Component Units and notes payable are reflected in the General Fund of the County for the balance of the note.

Note 25. Conduit Debt Obligations

The County has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2002, there were twenty-four series of Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$1,600,000.

Also, at December 31, 2002, Industrial Revenue Bonds outstanding for Knox Community Hospital totaled \$27,755,000.

Knox County, Ohio

Notes to the General Purpose Financial Statements
December 31, 2002

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Note 26. Construction Commitments

As of December 31, 2002, the County had the following contracts with respect to construction projections:

<u>Construction Projects</u>	<u>Remaining Construction Contract</u>	<u>Expected Date Of Completion</u>
500,000 Water Storage Tank	\$342,305	July 2003
Children's Resource Center Addition	\$53,800	September 2003

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Knox County, Ohio

Supplemental Data

General Fund

The General Fund is used to account for all financial resources of the County except those required to be accounted for in another fund.

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

General Fund

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$5,980,732	\$6,284,070	\$ 303,338
Charges for Services	1,435,621	1,873,799	438,178
Licenses and Permits	3,500	5,191	1,691
Fines and Forfeitures	35,000	41,585	6,585
Intergovernmental	1,419,900	1,485,345	65,445
Interest	970,000	620,724	(349,276)
Other	<u>56,397</u>	<u>142,311</u>	<u>85,914</u>
Total Revenues	<u>9,901,150</u>	<u>10,453,025</u>	<u>551,875</u>
Expenditures:			
General Government -			
Legislative and Executive:			
Commissioners:			
Personal Services	231,804	212,104	19,700
Materials and Supplies	136,033	125,897	10,136
Contractual Services	256,070	191,182	64,888
Other	379,303	239,149	140,154
County Microfilming:			
Personal Services	21,225	20,848	377
Other	4,008	1,482	2,526
Safety/Loss:			
Personal Services	42,119	39,921	2,198
Materials and Supplies	4,184	2,673	1,511
Contractual Services	1,000	1,000	--
Other	1,000	825	175
Regional Planning Commission:			
Personal Services	63,900	61,978	1,922
Materials and Supplies	947	650	297
Other	1,210	925	285
Auditor:			
Personal Services	160,389	159,321	1,068
Materials and Supplies	9,652	9,651	1
Contractual Services	26,759	26,671	88
Other	2,250	2,223	27

(Continued)

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund (Continued)

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Assessing Personal Property:			
Personal Services	36,995	36,174	821
Materials and Supplies	1,058	1,058	--
Treasurer:			
Personal Services	136,179	136,179	--
Materials and Supplies	3,384	3,384	--
Contractual Services	10,941	10,941	--
Other	6,178	5,747	431
Prosecuting Attorney:			
Personal Services	274,074	271,265	2,809
Materials & Supplies	3,250	3,146	104
Contractual Services	36,017	35,292	725
Other	6,834	6,704	130
Budget Commission:			
Contractual Services	--	--	--
Bureau of Inspection:			
Contractual Services	72,796	71,987	809
Data Processing Board:			
Materials and Supplies	96,619	89,239	7,380
Contractual Services	64,715	56,777	7,938
Board of Elections:			
Personal Services	197,054	192,724	4,330
Materials and Supplies	15,904	15,143	761
Contractual Services	19,788	19,393	395
Other	5,500	5,448	52
Maintenance and Operation:			
Personal Services	214,788	187,183	27,605
Materials and Supplies	109,819	88,768	21,051
Contractual Services	687,558	452,146	235,412
Other	100,413	17,861	82,552
Corporate Center - Maintenance and Operation:			
Personal Services	82,103	81,607	496
Materials and Supplies	15,052	12,390	2,662
Contractual Services	54,852	15,999	38,853
Other	1,000	393	607

(Continued)

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund (Continued)

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Air Navigation and Facilities:			
Personal Services	42,342	30,011	12,331
Recorder:			
Personal Services	149,019	147,296	1,723
Materials and Supplies	3,287	3,193	94
Contractual Services	12,000	11,681	319
Other	2,000	1,974	26
Insurance, Pensions and Taxes:			
Contractual Services	1,000,436	953,697	46,739
Agriculture	<u>462,873</u>	<u>462,573</u>	<u>300</u>
Total General Government - Legislative and Executive	<u>5,266,681</u>	<u>4,523,873</u>	<u>742,808</u>
General Government - Judicial:			
Court of Appeals:			
Contractual Services	\$ 10,200	\$ 10,176	\$ 24
Common Pleas Court:			
Personal Services	266,686	265,033	1,653
Materials and Supplies	9,046	8,114	932
Contractual Services	8,503	7,964	539
Other	13,196	13,180	16
Jury Commission:			
Personal Services	1,500	1,500	--
Contractual Services	117	15	102
Juvenile Court:			
Materials and Supplies	5,120	5,050	70
Contractual Services	11,405	11,393	12
Juvenile Probation:			
Personal Services	207,947	207,903	44
Materials and Supplies	11,878	11,878	--
Contractual Services	249,657	249,478	179

(Continued)

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund (Continued)

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Probate Court:			
Personal Services	111,924	111,420	504
Materials and Supplies	6,134	5,910	224
Contractual Services	12,477	12,447	30
Other	2,260	2,226	34
Clerk of Courts:			
Personal Services	216,157	211,699	4,458
Materials and Supplies	11,661	10,900	761
Contractual Services	9,979	9,792	187
Other	1,400	1,396	4
Municipal Court:			
Personal Services	76,100	74,620	1,480
Contractual Services	12,500	11,206	1,294
Law Library:			
Personal Services	5,900	1,744	4,156
Other	1,500	--	1,500
Public Defender:			
Personal Services	261,372	261,170	202
Materials and Supplies	1,600	1,570	30
Contractual Services	5,602	5,423	179
Other	<u>100</u>	<u>81</u>	<u>19</u>
Total General Government - Judicial	<u>1,531,921</u>	<u>1,513,288</u>	<u>18,633</u>
Public Safety:			
Sheriff:			
Personal Services	\$2,151,822	\$2,129,307	\$ 22,515
Materials and Supplies	360,503	359,995	508
Contractual Services	189,545	163,772	25,773
Other	114,468	113,323	1,145
Coroner:			
Personal Services	29,138	28,357	781
Materials and Supplies	100	--	100
Contractual Services	30,100	24,918	5,182
Other	667	--	667

(Continued)

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund (Continued)

Budget Basis
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Civil Defense:			
Contractual Services	--	--	--
Total Public Safety	<u>2,876,343</u>	<u>2,819,672</u>	<u>56,671</u>
Public Works:			
Map Department:			
Personal Services	\$ 82,687	\$ 82,629	\$ 58
Materials and Supplies	12,254	12,163	91
Other	--	--	--
Buildings and Grounds:			
Contractual Services	466,973	23,777	443,196
Capital Outlay	<u>225,000</u>	<u>--</u>	<u>225,000</u>
Total Public Works	<u>786,914</u>	<u>118,569</u>	<u>668,345</u>
Health:			
Vital Statistics:			
Other	\$ 1,200	\$ --	\$ 1,200
Other Health:			
Other	81,000	80,979	21
Humane Society:			
Personal Services	8,805	6,523	2,282
Materials and Supplies	2,000	--	2,000
Other	7,240	1,189	6,051
Animal Control Officer:			
Personal Services	37,225	35,564	1,661
Other	<u>727</u>	<u>16</u>	<u>711</u>
Total Health	<u>138,197</u>	<u>124,271</u>	<u>13,926</u>
Human Services:			
Childrens' Home:			
Contractual Services	\$ 100,000	\$ 100,000	\$ --
Soldiers Relief:			
Personal Services	31,572	26,690	4,882
Materials and Supplies	6,639	6,575	64
Contractual Services	257,000	149,767	107,233

(Continued)

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund (Continued)

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Veterans Relief:			
Personal Services	91,774	77,622	14,152
Contractual Services	21,759	14,801	6,958
Other	1,000	--	1,000
Public Assistance:			
Contractual Services	<u>200,000</u>	<u>200,000</u>	<u>--</u>
Total Human Services	<u>709,744</u>	<u>575,455</u>	<u>134,289</u>
Conservation and Recreation:			
Bike Path:			
Contractual Services	<u>7,906</u>	<u>2,000</u>	<u>5,906</u>
Total Conservation and Recreation	<u>7,906</u>	<u>2,000</u>	<u>5,906</u>
Capital Outlay	<u>419,820</u>	<u>419,820</u>	<u>--</u>
Total Capital Outlay	<u>419,820</u>	<u>419,820</u>	<u>--</u>
Total Expenditures	<u>11,737,526</u>	<u>10,096,948</u>	<u>1,640,578</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,836,376)</u>	<u>356,077</u>	<u>2,192,453</u>
Other Financing Sources (Uses):			
Other Financing Sources	\$ 54,111	\$ 280,639	\$ 226,528
Other Financing Uses	(245,207)	(147,512)	97,695
Advances - Out	(7,000)	(7,000)	--
Operating Transfers - Out	<u>(667,748)</u>	<u>(667,392)</u>	<u>356</u>
Total Other Sources (Uses)	<u>(865,844)</u>	<u>(541,265)</u>	<u>324,579</u>

(Continued)

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
General Fund (Continued)

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(2,702,220)	(185,188)	2,517,032
Fund Balances at Beginning of Year	2,804,624	2,804,624	--
Prior Year Encumbrances Appropriated	<u>350,957</u>	<u>350,957</u>	<u>--</u>
Fund Balances at End of Year	<u>\$ 453,361</u>	<u>\$2,970,393</u>	<u>\$ 2,517,032</u>

Knox County, Ohio

Special Revenue Funds

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

Dog and Kennel

The fund is to account for the dog warden's operations that are financed by sales of dog tags, kennel permits and fine collections.

Indigent Guardianship

The fund was established under Section 2111.51 of the Ohio Revised Code to account for the collection and distribution of probate court fees established under Section 2101.16 of the Revised Code.

Conduct of Business

The fund was established for the collection and distribution of probate court fees established under Section 2101.19 of the Revised Code.

Courts Computer

The fund was established for the collection of fees by the clerk of courts, probate court, and juvenile court to be used to fund the computerization and ongoing computer maintenance of the various courts.

Recorder's Equipment

The fund was established for the collection of fees by the recorder to be used for funding the acquisition and maintenance of equipment purchased by the recorder.

Courts' Computer Research

The fund was established for the collection of fees by the clerk of courts, probate court, and juvenile court to be used for funding the acquisition and maintenance of computerized legal research services for the various courts.

Time Out Program

The fund accounts for donations received for the Knox County Juvenile Court and to be used on expenses to monitor juvenile detention program called "Podsville".

Court Security

The fund accounts for revenue received to increase security for the Court House. Expenditures are for personnel and equipment to increase security and safety for the individuals working and using the Court House.

(Continued)

Knox County, Ohio

Special Revenue Funds (Continued)

Probate-Juvenile Special Projects

The fund accounts for revenue received to acquire and pay for special projects. Expenditures are for the acquisition of additional facilities or the rehabilitation of existing facilities, equipment, hiring and training staff, community service programs, mediation or dispute resolution services and other related services.

After Hours Probation

The fund accounts for revenue received to supervise probation clients. Expenditures are for the personnel and any equipment necessary for probation.

Juvenile Court Social Workers

The fund accounts for a transfer from the Children Services fund to be used for social workers who work at the direction of Juvenile Court and related expenditures.

Truancy Mediation

The fund accounts for revenue received to manage the mediation. Expenditures are for the personnel and any other related services.

Automated Title Processing

The fund accounts for fees collected by the clerk of courts to be used for costs incurred in processing titles under Chapters 1548 and 4505 of the Revised Code.

Delinquent Tax Assessment Collection

The fund accounts for a percentage of the monies received from delinquent tax and assessment collections. Half of the money is to be allocated to the prosecutor and the other half to the treasurer to be used for the collection of delinquent taxes and assessments.

Victims of Crime Act & State Victims Assistance Act

The fund is two grants being a Federal Grant, Victims of Crime Act, and a State Grant, State Victims Assistance Act. The monies are to be used to assist victims of crimes and awareness of help to these families.

Marine Patrol Grant

The grant monies are received from the State of Ohio, Department of Natural Resources, for the purpose of establishing and/or maintaining and operating a marine law enforcement patrol program.

Drug Abuse Resistance Education Grant

The fund accounts for a grant received from the Ohio Attorney General to be used for the salary of a certified Drug Abuse Resistance Education (DARE) officer.

Community Policing Grant

The fund accounts for a grant received from the Cops Fast Grant program and is to be used for up to 75% of the salary and benefits of a full time officer.

(Continued)

Knox County, Ohio

Special Revenue Funds (Continued)

Common Pleas Prison Reduction Grant

The fund accounts for a grant received from the Department of Rehabilitation and Correction. The project is designed to prepare the court to comply with the dictates of Senate Bill 2 when it becomes effective in July of 1996.

Common Pleas Jail Diversion Grant

The fund accounts for two grants awarded from the Department of Rehabilitation and Correction. The grants are to help divert offenders from the penal system and to help with pre-trial releases from jail.

Drug Court

The grant monies are received from the State of Ohio, Office of Criminal Justice Services, for the purpose of paying for a probation officer, drug screening on juveniles who appear in court and a counselor who helps counsel juveniles on drug abuse prevention.

9 1 1 Emergency Calling System

The fund accounts for a one quarter percent sales tax imposed by the commissioners for funding of the 9 1 1 emergency calling system.

Public Assistance

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

Child Abuse Prevention Grant

The money for this grant comes from the Ohio Children's Trust Fund, a division of the Ohio Job and Family Services. The expenses are to be used to make awards to selected child abuse or neglect prevention programs in the county.

Litter Control & Recycling

The fund accounts for state grant receipts and donations from both individuals and corporations used to enforce litter laws, educate citizens, and promote litter control in the County.

Child Support Enforcement Agency

The fund accounts for the poundage fees and earned incentives collected by the Child Support Enforcement Agency which are restricted by state statute to finance the operation of the CSEA, and Title IV-D grants that reimburse expenditures for support enforcement. Payments are distributed to the court-designated recipients. The CSEA is managed by the department of human services.

Real Estate Assessment

The fund accounts for state mandated county-wide real estate reappraisals that are funded by charges to the political subdivisions located within the County.

(Continued)

Knox County, Ohio

Special Revenue Funds (Continued)

Motor Vehicle and Gasoline Tax

The fund accounts for revenue derived from the sale of motor vehicle licenses, gasoline taxes and interest. Expenditures in this fund are restricted by state law to county road and bridge repair/improvement programs. The County engineer currently expends the majority of the revenues for repairs.

Youth Services Grant

Grant monies are received from the State Department of Youth Services and used for placement of children, a juvenile delinquents diversion program, work programs involving restitution, juvenile delinquency prevention and other related activities.

Ditch Maintenance

The fund accounts for special assessment revenue which is used for improvements and repairs for various ditches in Knox County.

Children Services Board

The fund accounts for money from a tax levy, federal and state grants, support collection and social security. Major expenditures are for a girls' group home, emergency shelters, medical treatment, school supplies, counseling and parental training.

Mental Retardation

The fund accounts for money received from a County-wide property tax levy and several federal and state grants and subsidies.

Water Resource Study

The fund accounts for donations from various subdivisions in Knox County to develop a county-wide effort to determine the quality and quantity of a large underground aquifer and to purchase legal services needed to repel outside agencies, which are intruding on this underground water supply.

Emergency Management Agency

The fund accounts for the fund controlled by the Emergency Management Agency as established by Section 5915.07, Ohio Revised Code, for which the County Auditor is the fiscal agent.

Family Resources

The fund accounts for revenue received from the Ohio Department of Mental Retardation and Development Disabilities. Expenditures are for in-home respite care, out-of-home respite care, education, training, counseling, and for administrative costs.

(Continued)

Knox County, Ohio

Special Revenue Funds (Continued)

Home

The fund accounts for rehabilitation, tenant-based rental payment assistance and home buyer down payment assistance through a grant received from the Department of Housing and Urban Development.

Marriage License

The fund accounts for the \$17 collected on each issued marriage license which is sent to a local shelter called New Directions for victims of domestic abuse.

Commissary

The fund accounts for revenues generated through the Sheriff's department from sales within the commissary.

Law Enforcement

The fund accounts for the County's share of the assets forfeited in drug enforcement cases. This money is to be used for future drug investigations.

Drug Abuse Resistance Education

The fund accounts for proceeds from the sale of vehicles ordered criminally forfeited to the state. The money is used to educate adults or children about the dangers associated with the use or abuse of drugs.

Drug Enforcement

The fund accounts for fine moneys received under Section 2925.03 of the Ohio Revised Code. The money is used for drug abuse prevention education, drug law enforcement education, drug enforcement equipment, undercover drug purchases, travel expenses, pictures, handbooks, advertisements, and training related to drug enforcement.

Revolving Loan

The fund accounts for money received from the Community Development Block Grant and used for low interest loans to County businesses for development projects.

Calendar

The fund accounts for donations received for the costs associated with the production of Victims of Crime calendars.

Knox County, Ohio

Combining Balance Sheet
All Special Revenue Funds
 December 31, 2002

	<u>Dog and Kennel</u>	<u>Indigent Guardianship</u>	<u>Conduct of Business</u>	<u>Courts Computer</u>	<u>Recorder's Equipment</u>
Assets:					
Equity in Pooled Cash and					
Cash Equivalents	\$ 166,212	\$ 1,541	\$ 3,568	\$ 48,251	\$ 68,103
Cash and Cash Equivalents in					
Segregated Accounts	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Interfund	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	225	-	-	-	-
Materials and Supplies					
Inventory	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Loans Receivable	-	-	-	-	-
	<u>\$ 166,437</u>	<u>\$ 1,541</u>	<u>\$ 3,568</u>	<u>\$ 48,251</u>	<u>\$ 68,103</u>
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$ 386	\$ 704	\$ -	\$ 9,810	\$ 2,856
Contracts Payable	-	-	-	-	-
Accrued Wages and Benefits	1,830	-	-	-	-
Interfund Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	2,263	-	-	-	-
Deferred Revenue	-	-	-	-	-
Total Liabilities	<u>4,479</u>	<u>704</u>	<u>-</u>	<u>9,810</u>	<u>2,856</u>
Fund Equity:					
Fund Balance:					
Reserved for Encumbrances	644	33	-	1,230	858
Reserved for Inventory	-	-	-	-	-
Reserved for Loans	-	-	-	-	-
Unreserved, Undesignated (Deficit)	<u>161,314</u>	<u>804</u>	<u>3,568</u>	<u>37,211</u>	<u>64,389</u>
Total Fund Equity (Deficit)	<u>161,958</u>	<u>837</u>	<u>3,568</u>	<u>38,441</u>	<u>65,247</u>
Total Liabilities and Fund Equity	<u>\$ 166,437</u>	<u>\$ 1,541</u>	<u>\$ 3,568</u>	<u>\$ 48,251</u>	<u>\$ 68,103</u>

<u>Courts' Computer Research</u>	<u>Time Out Program</u>	<u>Court Security</u>	<u>Prob-Juv Spec Proj</u>	<u>After Hrs Probation</u>	<u>Juvenile Court Social Workers</u>	<u>Truancy Mediation</u>
\$ 3,337	\$ -	\$ 354	\$ 28,042	\$ 273	\$ 68,244	\$ 247
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	540	-
-	-	-	-	-	-	-
-	-	-	-	-	306	-
-	-	-	-	-	928	-
-	-	-	-	-	-	5,130
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 3,337</u>	<u>-</u>	<u>\$ 354</u>	<u>\$ 28,042</u>	<u>\$ 273</u>	<u>\$ 70,018</u>	<u>\$ 5,377</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,000	\$ 260
-	-	-	-	-	-	-
-	274	-	-	-	1,614	217
-	219	-	-	87	-	-
-	-	-	-	-	-	-
-	1,135	-	-	57	2,169	572
-	-	-	-	-	-	5,130
-	1,628	-	-	144	10,783	6,179
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>3,337</u>	<u>(1,628)</u>	<u>354</u>	<u>28,042</u>	<u>129</u>	<u>59,235</u>	<u>(802)</u>
<u>3,337</u>	<u>(1,628)</u>	<u>354</u>	<u>28,042</u>	<u>129</u>	<u>59,235</u>	<u>(802)</u>
<u>\$ 3,337</u>	<u>\$ 0</u>	<u>\$ 354</u>	<u>\$ 28,042</u>	<u>\$ 273</u>	<u>\$ 70,018</u>	<u>\$ 5,377</u>

(Continued)

Knox County, Ohio

Combining Balance Sheet
All Special Revenue Funds (Continued)
December 31, 2002

	Automated Title Processing	Delinquent Tax Assessment Collection	Victims of Crime Act & State Victims Assistance Act	Marine Patrol Grant	Drug Abuse Resistance Education Grant
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 270,841	\$ 183,982	\$ 13,000	\$ 291	\$ 3,089
Cash and Cash Equivalents in Segregated Accounts	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Special Assessments	-	-	-	-	-
Interfund	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	-	-	18,924	-	-
Materials and Supplies					
Inventory	-	-	-	-	-
Prepaid Items	-	-	-	-	-
Loans Receivable	-	-	-	-	-
Total Assets	\$ 270,841	\$ 183,982	\$ 31,924	\$ 291	\$ 3,089
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$ 780	\$ -	\$ 6,018	\$ -	-
Contracts Payable	-	-	-	-	-
Accrued Wages and Benefits	3,018	1,096	588	-	-
Interfund Payable	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Due to Other Governments	4,300	1,357	868	60	72
Deferred Revenue	-	-	18,924	-	-
Total Liabilities	8,098	2,453	26,398	60	72
Fund Equity:					
Fund Balance:					
Reserved for Encumbrances	1,357	5,013	-	-	-
Reserved for Inventory	-	-	-	-	-
Reserved for Loans	-	-	-	-	-
Unreserved, Undesignated (Deficit)	261,386	176,516	5,526	231	3,017
Total Fund Equity (Deficit)	262,743	181,529	5,526	231	3,017
Total Liabilities and Fund Equity	\$ 270,841	\$ 183,982	\$ 31,924	\$ 291	\$ 3,089

Community Policing Grant	Common Pleas Prison Reduction Grant	Common Pleas Jail Diversion Grant	Drug Court	911 Emergency Calling System	Public Assistance	Child Abuse Prevention Grant
\$ 10	\$ 7	\$ 6,310	\$ -	\$ 1,466,048	\$ 1,006,706	\$ 5,055
-	-	-	-	-	-	-
-	-	-	-	168,213	-	-
-	-	-	-	-	128,425	-
-	-	-	-	-	-	-
-	-	-	-	-	120,010	-
-	-	25,237	-	-	3,091,908	5,055
-	-	-	-	-	-	-
-	-	-	-	3,612	12,040	-
-	-	-	-	-	-	-
<u>\$ 10</u>	<u>\$ 7</u>	<u>\$ 31,547</u>	<u>\$ -</u>	<u>\$ 1,637,873</u>	<u>\$ 4,359,089</u>	<u>\$ 10,110</u>
-	-	-	-	16,557	\$ 169,392	\$ 6,805
-	-	-	-	5,339	39,588	-
-	-	895	-	17,064	62,014	-
-	-	-	-	-	-	-
-	-	-	-	-	928	-
-	-	1,308	-	24,154	80,009	-
-	-	25,237	-	88,790	2,169,648	-
-	-	27,440	-	151,904	2,521,579	6,805
-	-	143	-	11,696	270,614	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>10</u>	<u>7</u>	<u>3,964</u>	<u>-</u>	<u>1,474,273</u>	<u>1,566,896</u>	<u>3,305</u>
<u>10</u>	<u>7</u>	<u>4,107</u>	<u>-</u>	<u>1,485,969</u>	<u>1,837,510</u>	<u>3,305</u>
<u>\$ 10</u>	<u>\$ 7</u>	<u>\$ 31,547</u>	<u>\$ -</u>	<u>\$ 1,637,873</u>	<u>\$ 4,359,089</u>	<u>\$ 10,110</u>

(Continued)

Knox County, Ohio

Combining Balance Sheet
All Special Revenue Funds (Continued)
December 31, 2002

	Litter Control & Recycling	Child Support Enforcement Agency	Real Estate Assessment	Motor Vehicle and Gasoline Tax	Youth Services Grant
Assets:					
Equity in Pooled Cash and Cash Equivalents	\$ 2,361	\$ 184,696	\$ 307,450	\$ 138,735	\$ 92,461
Cash and Cash Equivalents in Segregated Accounts	-	-	-	-	-
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	8,395	315	359	-
Special Assessments	-	-	-	-	-
Interfund	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Due from Other Governments	13,610	8,712	-	1,717,769	328,991
Materials and Supplies					
Inventory	-	-	-	353,026	-
Prepaid Items	-	-	-	4,085	-
Loans Receivable	-	-	-	-	-
Total Assets	\$ 15,971	\$ 201,803	\$ 307,765	\$ 2,213,974	\$ 421,452
Liabilities and Fund Equity:					
Liabilities:					
Accounts Payable	\$ -	\$ -	\$ 1,491	\$ 78,668	\$ -
Contracts Payable	-	164	6,250	-	-
Accrued Wages and Benefits	1,315	9,566	3,324	35,526	5,471
Interfund Payable	-	-	-	-	-
Due to Other Funds	-	55,894	-	12,255	-
Due to Other Governments	1,902	14,070	5,149	49,488	9,906
Deferred Revenue	13,610	8,712	-	1,430,211	316,441
Total Liabilities	16,827	88,406	16,214	1,606,148	331,818
Fund Equity:					
Fund Balance:					
Reserved for Encumbrances	-	774	59,188	8,199	2,073
Reserved for Inventory	-	-	-	353,026	-
Reserved for Loans	-	-	-	-	-
Unreserved, Undesignated (Deficit)	(856)	112,623	232,363	246,601	87,561
Total Fund Equity (Deficit)	(856)	113,397	291,551	607,826	89,634
Total Liabilities and Fund Equity	\$ 15,971	\$ 201,803	\$ 307,765	\$ 2,213,974	\$ 421,452

<u>Ditch Maintenance</u>	<u>Children Services Board</u>	<u>Mental Retardation</u>	<u>Water Resource Study</u>	<u>Emergency Management Agency</u>	<u>Family Resources</u>	<u>Home</u>
\$ 14,967	\$ 2,329,313	\$ 1,847,607	\$ 500	\$ 91,540	\$ 11,297	\$ 1,525
-	-	-	-	-	-	-
-	1,005,949	1,504,077	-	-	-	-
-	26,424	120,360	-	-	100	-
7,818	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	749,593	-	-	-	-	69,327
-	-	-	-	-	-	-
-	-	8,600	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 22,785</u>	<u>\$ 4,111,279</u>	<u>\$ 3,480,644</u>	<u>\$ 500</u>	<u>\$ 91,540</u>	<u>\$ 11,397</u>	<u>\$ 70,852</u>
\$ -	\$ 91,770	\$ 36,275	\$ -	\$ 328	\$ 1,848	\$ 2,500
-	420	-	-	-	-	-
-	14,264	72,871	-	928	-	-
7,000	-	-	-	-	-	-
-	83,850	-	-	-	-	-
-	21,770	100,732	-	2,100	-	-
7,818	1,560,744	1,502,235	-	-	-	69,327
<u>14,818</u>	<u>1,772,818</u>	<u>1,712,113</u>	<u>-</u>	<u>3,356</u>	<u>1,848</u>	<u>71,827</u>
11,604	2,667	33,250	225	4,118	3,689	4,354
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(3,637)</u>	<u>2,335,794</u>	<u>1,735,281</u>	<u>275</u>	<u>84,066</u>	<u>5,860</u>	<u>(5,329)</u>
<u>7,967</u>	<u>2,338,461</u>	<u>1,768,531</u>	<u>500</u>	<u>88,184</u>	<u>9,549</u>	<u>(975)</u>
<u>\$ 22,785</u>	<u>\$ 4,111,279</u>	<u>\$ 3,480,644</u>	<u>\$ 500</u>	<u>\$ 91,540</u>	<u>\$ 11,397</u>	<u>\$ 70,852</u>

(Continued)

Knox County, Ohio

Combining Balance Sheet
All Special Revenue Funds (Continued)
 December 31, 2002

	Marriage License	Commissary	Law Enforcement	Drug Abuse Resistance Education
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 1,160	\$ -	\$ -	\$ -
Cash and Cash Equivalents in Segregated Accounts	-	591	123	3,377
Receivables:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Special Assessments	-	-	-	-
Interfund	-	-	-	-
Due from Other Funds	-	-	-	-
Due from Other Governments	-	-	-	-
Materials and Supplies				
Inventory	-	-	-	-
Prepaid Items	-	-	-	-
Loans Receivable	-	-	-	-
	-	-	-	-
Total Assets	\$ 1,160	\$ 591	\$ 123	\$ 3,377
Liabilities and Fund Equity:				
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Contracts Payable	-	-	-	-
Accrued Wages and Benefits	-	-	-	-
Interfund Payable	-	-	-	-
Due to Other Funds	-	-	-	-
Due to Other Governments	-	-	-	-
Deferred Revenue	-	-	-	-
	-	-	-	-
Total Liabilities	-	-	-	-
Fund Equity:				
Fund Balance:				
Reserved for Encumbrances	-	-	-	-
Reserved for Inventory	-	-	-	-
Reserved for Loans	-	-	-	-
Unreserved, Undesignated (Deficit)	1,160	591	123	3,377
	1,160	591	123	3,377
Total Fund Equity (Deficit)	1,160	591	123	3,377
Total Liabilities and Fund Equity	\$ 1,160	\$ 591	\$ 123	\$ 3,377

<u>Drug Enforcement</u>	<u>Revolving Loan</u>	<u>Calendar</u>	<u>Totals</u>
\$ -	\$ -	\$ -	\$ 8,367,123
8,148	97,150	157	109,546
-	-	-	2,678,239
-	-	-	284,918
-	-	-	7,818
-	-	-	306
-	-	-	120,938
-	-	-	6,034,481
-	-	-	353,026
-	-	-	28,337
-	57,771	-	57,771
<u>\$ 8,148</u>	<u>\$ 154,921</u>	<u>\$ 157</u>	<u>\$ 18,042,503</u>
\$ -	\$ -	\$ -	\$ 433,448
-	-	-	51,761
-	-	-	231,875
-	-	-	7,306
-	-	-	152,927
-	-	-	323,441
-	-	-	7,216,827
-	-	-	8,417,585
-	-	-	421,729
-	-	-	353,026
-	57,771	-	57,771
<u>8,148</u>	<u>97,150</u>	<u>157</u>	<u>8,792,392</u>
<u>8,148</u>	<u>154,921</u>	<u>157</u>	<u>9,624,918</u>
<u>\$ 8,148</u>	<u>\$ 154,921</u>	<u>\$ 157</u>	<u>\$ 18,042,503</u>

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Knox County, Ohio

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

	<u>Dog and Kennel</u>	<u>Indigent Guardianship</u>	<u>Conduct of Business</u>	<u>Courts Computer</u>	<u>Recorder's Equipment</u>
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	17,625	7,480	400	29,059	72,129
Licenses and Permits	103,787	-	-	-	-
Fines and Forfeitures	6,395	-	-	-	-
Intergovernmental	-	-	-	-	-
Special Assessments	-	-	-	-	-
Interest	-	-	-	623	-
Other	1,215	750	-	-	-
Total Revenues	<u>129,022</u>	<u>8,230</u>	<u>400</u>	<u>29,682</u>	<u>72,129</u>
Expenditures:					
Current:					
General Government:					
Legislative and Executive	-	-	-	-	74,582
Judicial	-	7,502	140	22,744	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Health	94,585	-	-	-	-
Human Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>94,585</u>	<u>7,502</u>	<u>140</u>	<u>22,744</u>	<u>74,582</u>
Excess of Revenues Over (Under) Expenditures	34,437	728	260	6,938	(2,453)
Sale of Fixed Assets	-	-	-	-	-
Operating Transfers - In	-	-	-	-	-
Operating Transfers - Out	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Uses	34,437	728	260	6,938	(2,453)
Fund Balances (Deficit) at Beginning of Year	127,521	109	3,308	31,503	67,700
Increase in Reserve for Inventory	-	-	-	-	-
Fund Balances (Deficits) at End of Year	<u>\$ 161,958</u>	<u>\$ 837</u>	<u>\$ 3,568</u>	<u>\$ 38,441</u>	<u>\$ 65,247</u>

(Continued)

Knox County, Ohio

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
All Special Revenue Funds (Continued)
For the Year Ended December 31, 2002

	<u>Courts'</u> <u>Computer</u>	<u>Time Out</u>	<u>Court</u>	<u>Prob-Juv</u>	<u>After Hrs</u>
	<u>Research</u>	<u>Program</u>	<u>Security</u>	<u>Spec Proj</u>	<u>Probation</u>
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services	2,801	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	9,175	-
Intergovernmental	-	8,000	-	-	12,581
Special Assessments	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	1,876	-	-	-
Total Revenues	<u>2,801</u>	<u>9,876</u>	<u>-</u>	<u>9,175</u>	<u>12,581</u>
Expenditures:					
Current:					
General Government:					
Legislative and Executive	-	-	-	-	-
Judicial	1,606	-	-	-	-
Public Safety	-	34,405	652	764	13,891
Public Works	-	-	-	-	-
Health	-	-	-	-	-
Human Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>1,606</u>	<u>34,405</u>	<u>652</u>	<u>764</u>	<u>13,891</u>
Excess of Revenues Over (Under) Expenditures	1,195	(24,529)	(652)	8,411	(1,310)
Sale of Fixed Assets	-	-	-	-	-
Operating Transfers - In	-	8,000	-	-	-
Operating Transfers - Out	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Uses	1,195	(16,529)	(652)	8,411	(1,310)
Fund Balances (Deficit) at Beginning of Year	2,142	14,901	1,006	19,631	1,439
Increase in Reserve for Inventory	-	-	-	-	-
Fund Balances (Deficits) at End of Year	<u>\$ 3,337</u>	<u>\$ (1,628)</u>	<u>\$ 354</u>	<u>\$ 28,042</u>	<u>\$ 129</u>

Juvenile Court Social Workers	Truancy Mediation	Automated Title Processing	Delinquent Tax Assessment Collection	Victims of Crime Act & State Victims Assistance Act	Marine Patrol Grant	Drug Abuse Resistance Education Grant
\$ -	\$ -	\$ -	\$ 86,784	\$ -	\$ -	\$ -
-	-	225,890	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
45,874	-	-	-	33,809	16,721	17,926
-	-	-	-	-	-	-
-	-	-	-	-	-	-
6,254	-	294	336	64	-	-
<u>52,128</u>	<u>-</u>	<u>226,184</u>	<u>87,120</u>	<u>33,873</u>	<u>16,721</u>	<u>17,926</u>
-	-	-	80,389	36,532	-	-
-	-	157,129	-	-	-	-
89,870	3,348	-	-	-	17,876	21,960
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>89,870</u>	<u>3,348</u>	<u>157,129</u>	<u>80,389</u>	<u>36,532</u>	<u>17,876</u>	<u>21,960</u>
(37,742)	(3,348)	69,055	6,731	(2,659)	(1,155)	(4,034)
-	-	-	-	-	-	-
-	-	-	-	7,644	-	-
-	-	-	-	-	-	-
<u>(37,742)</u>	<u>(3,348)</u>	<u>69,055</u>	<u>6,731</u>	<u>4,985</u>	<u>(1,155)</u>	<u>(4,034)</u>
96,977	2,546	193,688	174,798	541	1,386	7,051
-	-	-	-	-	-	-
<u>\$ 59,235</u>	<u>\$ (802)</u>	<u>\$ 262,743</u>	<u>\$ 181,529</u>	<u>\$ 5,526</u>	<u>\$ 231</u>	<u>\$ 3,017</u>

(Continued)

Knox County, Ohio

Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
All Special Revenue Funds (Continued)
For the Year Ended December 31, 2002

	Community Policing Grant	Common Pleas Prison Reduction Grant	Common Pleas Jail Diversion Grant	Drug Court	911 Emergency Calling System
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,059,172
Charges for Services	-	-	-	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental	-	27	37,855	-	-
Special Assessments	-	-	-	-	-
Interest	-	-	-	-	-
Other	-	-	44	-	7,672
Total Revenues	<u>-</u>	<u>27</u>	<u>37,899</u>	<u>-</u>	<u>1,066,844</u>
Expenditures:					
Current:					
General Government:					
Legislative and Executive	-	-	-	-	-
Judicial	-	-	-	-	-
Public Safety	-	-	48,970	40,121	1,091,592
Public Works	-	-	-	-	-
Health	-	-	-	-	-
Human Services	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>48,970</u>	<u>40,121</u>	<u>1,091,592</u>
Excess of Revenues Over (Under) Expenditures	-	27	(11,071)	(40,121)	(24,748)
Sale of Fixed Assets	-	-	-	-	-
Operating Transfers - In	-	-	-	-	-
Operating Transfers - Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures and Other Uses	-	27	(11,071)	(40,121)	(24,748)
Fund Balances (Deficit) at Beginning of Year	10	(20)	15,178	40,121	1,510,717
Increase in Reserve for Inventory	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) at End of Year	<u>\$ 10</u>	<u>\$ 7</u>	<u>\$ 4,107</u>	<u>\$ -</u>	<u>\$ 1,485,969</u>

<u>Public Assistance</u>	<u>Child Abuse Prevention Grant</u>	<u>Litter Control & Recycling</u>	<u>Child Support Enforcement Agency</u>	<u>Real Estate Assessment</u>	<u>Motor Vehicle and Gasoline Tax</u>	<u>Youth Services Grant</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 577,797	\$ -
-	-	19,800	128,227	407,522	2	-
-	-	-	-	-	-	-
-	-	-	-	-	14,044	-
4,721,302	15,164	57,878	854,886	-	3,333,872	316,928
-	-	-	-	-	-	-
-	-	-	-	-	4,404	-
357,304	-	547	1,936	315	43,121	2,843
<u>5,078,606</u>	<u>15,164</u>	<u>78,225</u>	<u>985,049</u>	<u>407,837</u>	<u>3,973,240</u>	<u>319,771</u>
-	-	-	-	660,519	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	414,543
-	-	-	-	-	3,866,456	-
-	-	82,307	-	-	-	-
5,129,808	16,664	-	889,200	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,488	-
-	-	-	-	-	453	-
<u>5,129,808</u>	<u>16,664</u>	<u>82,307</u>	<u>889,200</u>	<u>660,519</u>	<u>3,868,397</u>	<u>414,543</u>
(51,202)	(1,500)	(4,082)	95,849	(252,682)	104,843	(94,772)
-	-	-	-	-	35,335	-
-	-	6,000	-	-	-	-
<u>(388,139)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(439,341)	(1,500)	1,918	95,849	(252,682)	140,178	(94,772)
2,276,851	4,805	(2,774)	17,548	544,233	372,579	184,406
-	-	-	-	-	95,069	-
<u>\$ 1,837,510</u>	<u>\$ 3,305</u>	<u>\$ (856)</u>	<u>\$ 113,397</u>	<u>\$ 291,551</u>	<u>\$ 607,826</u>	<u>\$ 89,634</u>

(Continued)

Knox County, Ohio

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
All Special Revenue Funds (Continued)
For the Year Ended December 31, 2002

	<u>Ditch Maintenance</u>	<u>Children Services Board</u>	<u>Mental Retardation</u>	<u>Water Resource Study</u>	<u>Emergency Management Agency</u>
Revenues:					
Taxes	\$ -	\$ 855,267	\$ 1,242,948	\$ -	\$ -
Charges for Services	-	70,780	50,315	-	-
Licenses and Permits	-	-	-	-	-
Fines and Forfeitures	-	-	-	-	-
Intergovernmental	-	1,498,466	1,452,088	-	51,846
Special Assessments	5,014	-	-	-	-
Interest	-	-	-	-	-
Other	-	16,202	172,056	-	7,437
Total Revenues	<u>5,014</u>	<u>2,440,715</u>	<u>2,917,407</u>	<u>-</u>	<u>59,283</u>
Expenditures:					
Current:					
General Government:					
Legislative and Executive	-	-	-	-	-
Judicial	-	-	-	-	-
Public Safety	-	-	-	-	73,872
Public Works	-	-	-	-	-
Health	-	-	-	-	-
Human Services	-	2,390,625	2,955,546	-	-
Capital Outlay	2,896	-	-	-	-
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	<u>2,896</u>	<u>2,390,625</u>	<u>2,955,546</u>	<u>-</u>	<u>73,872</u>
Excess of Revenues Over (Under) Expenditures	2,118	50,090	(38,139)	-	(14,589)
Sale of Fixed Assets	-	-	-	-	275
Operating Transfers - In	-	-	-	-	30,000
Operating Transfers - Out	-	(50,000)	-	-	-
Excess of Revenues Over (Under) Expenditures and Other Uses	2,118	90	(38,139)	-	15,686
Fund Balances (Deficit) at Beginning of Year	5,849	2,338,371	1,806,670	500	72,498
Increase in Reserve for Inventory	-	-	-	-	-
Fund Balances (Deficits) at End of Year	<u>\$ 7,967</u>	<u>\$ 2,338,461</u>	<u>\$ 1,768,531</u>	<u>\$ 500</u>	<u>\$ 88,184</u>

<u>Family Resources</u>	<u>Home</u>	<u>Marriage License</u>	<u>Commissary</u>	<u>Law Enforcement</u>	<u>Drug Abuse Resistance Education</u>	<u>Drug Enforcement</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	14,912	17,292	-	-	-
-	-	-	-	-	-	-
-	-	-	-	350	7,330	-
30,816	61,543	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	58	12	36
100	-	-	-	-	-	-
<u>30,916</u>	<u>61,543</u>	<u>14,912</u>	<u>17,292</u>	<u>408</u>	<u>7,342</u>	<u>36</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	18,873	285	6,823	-
-	-	-	-	-	-	-
-	-	14,650	-	-	-	-
43,163	81,585	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>43,163</u>	<u>81,585</u>	<u>14,650</u>	<u>18,873</u>	<u>285</u>	<u>6,823</u>	<u>-</u>
(12,247)	(20,042)	262	(1,581)	123	519	36
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(12,247)	(20,042)	262	(1,581)	123	519	36
21,796	19,067	898	2,172	-	2,858	8,112
-	-	-	-	-	-	-
<u>\$ 9,549</u>	<u>\$ (975)</u>	<u>\$ 1,160</u>	<u>\$ 591</u>	<u>\$ 123</u>	<u>\$ 3,377</u>	<u>\$ 8,148</u>

(Continued)

Knox County, Ohio

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
All Special Revenue Funds (Continued)
For the Year Ended December 31, 2002

	Revolving Loan	Calendar	Totals
Revenues:			
Taxes	\$ -	\$ -	\$ 3,821,968
Charges for Services	-	-	1,064,234
Licenses and Permits	-	-	103,787
Fines and Forfeitures	-	-	37,294
Intergovernmental	-	-	12,567,582
Special Assessments	-	-	5,014
Interest	5,303	2	10,438
Other	-	-	620,366
	5,303	2	18,230,683
Total Revenues			
Expenditures:			
Current:			
General Government:			
Legislative and Executive	-	-	852,022
Judicial	-	-	189,121
Public Safety	-	7	1,877,852
Public Works	-	-	3,866,456
Health	-	-	191,542
Human Services	5,640	-	11,512,231
Capital Outlay	-	-	2,896
Debt Service:			
Principal Retirement	-	-	1,488
Interest and Fiscal Charges	-	-	453
	5,640	7	18,494,061
Total Expenditures			
Excess of Revenues Over			
(Under) Expenditures	(337)	(5)	(263,378)
Sale of Fixed Assets	-	-	35,610
Operating Transfers - In	-	-	51,644
Operating Transfers - Out	-	-	(438,139)
	-	-	(438,139)
Excess of Revenues Over (Under)			
Expenditures and Other Uses	(337)	(5)	(614,263)
Fund Balances (Deficit) at			
Beginning of Year	155,258	162	10,144,112
Increase in Reserve			
for Inventory	-	-	95,069
	-	-	95,069
Fund Balances (Deficits)			
at End of Year	\$ 154,921	\$ 157	\$ 9,624,918

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Dog & Kennel Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$ 17,500	\$ 17,625	\$ 125
Licenses & Permits	103,000	97,115	(5,885)
Fines and Forfeitures	3,800	6,170	2,370
Other	<u>600</u>	<u>1,215</u>	<u>615</u>
Total Revenues	<u>124,900</u>	<u>122,125</u>	<u>(2,775)</u>
Expenditures:			
Health:			
Personal Services	83,100	71,825	11,275
Materials and Supplies	47,251	5,699	41,552
Contractual Services	14,060	5,372	8,688
Capital Outlay	4,199	4,199	--
Other	<u>20,006</u>	<u>13,657</u>	<u>6,349</u>
Total Expenditures	<u>168,616</u>	<u>100,752</u>	<u>67,864</u>
Excess of Revenues Over (Under) Expenditures	(43,716)	21,373	65,089
Fund Balance at Beginning of Year	129,962	129,962	--
Prior Year Encumbrances Appropriated	<u>7,015</u>	<u>7,015</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 93,261</u>	<u>\$ 158,350</u>	<u>\$ 65,089</u>

Knox County, Ohio

Schedule of Revenue, Expenditures, and
Changes in Fund Balance - Budget and Actual
Indigent Guardianship Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$ 8,500	\$ 6,910	\$ (1,590)
Other	<u>600</u>	<u>750</u>	<u>150</u>
Total Revenues	<u>9,100</u>	<u>7,660</u>	<u>(1,440)</u>
Expenditures:			
General Government - Judicial:			
Personal Services	68	68	--
Contractual Services	<u>8,382</u>	<u>7,635</u>	<u>747</u>
Total Expenditures	<u>8,450</u>	<u>7,703</u>	<u>747</u>
Excess of Revenues Over (Under) Expenditures	650	(43)	(693)
Fund Balance at Beginning of Year	<u>431</u>	<u>431</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 1,081</u>	<u>\$ 388</u>	<u>\$ (693)</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Conduct of Business Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$ 450	\$ 370	\$ (80)
Total Revenues	<u>450</u>	<u>370</u>	<u>(80)</u>
Expenditures:			
General Government - Judicial:			
Contractual Services	700	140	560
Other	<u>2,500</u>	<u>--</u>	<u>2,500</u>
Total Expenditures	<u>3,200</u>	<u>140</u>	<u>3,060</u>
Excess of Revenues Over (Under) Expenditures	(2,750)	230	2,980
Fund Balance at Beginning of Year	<u>3,308</u>	<u>3,308</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 558</u>	<u>\$ 3,538</u>	<u>\$ 2,980</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Courts' Computer Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues			
Charges for Services	\$ 28,700	\$ 27,982	\$ (718)
Interest	<u>3,900</u>	<u>621</u>	<u>(3,279)</u>
Total Revenues	<u>32,600</u>	<u>28,603</u>	<u>(3,997)</u>
Expenditures:			
General Government - Judicial:			
Materials and Supplies	7,567	5,621	1,946
Contractual Services	32,233	10,084	22,149
Capital Outlay	<u>8,088</u>	<u>8,088</u>	<u>--</u>
Total Expenditures	<u>47,888</u>	<u>23,793</u>	<u>24,095</u>
Excess of Revenues Over (Under) Expenditures	(15,288)	4,810	20,098
Fund Balance at Beginning of Year	33,860	33,860	--
Prior Year Encumbrances Appropriated	<u>3,230</u>	<u>3,230</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 21,802</u>	<u>\$ 41,900</u>	<u>\$ 20,098</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Recorder's Equipment Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$ 76,000	\$ 72,261	\$ (3,739)
Total Revenues	<u>76,000</u>	<u>72,261</u>	<u>(3,739)</u>
Expenditures:			
General Government - Legislative and Executive:			
Materials and Supplies	35,000	19,019	15,981
Contractual Services	61,359	55,256	6,103
Other	<u>5,295</u>	<u>5,205</u>	<u>90</u>
Total Expenditures	<u>101,654</u>	<u>79,480</u>	<u>22,174</u>
Excess of Revenues Over Expenditures	(25,654)	(7,219)	18,435
Fund Balance at Beginning of Year	71,663	71,663	--
Prior Year Encumbrances Appropriated	<u>1,654</u>	<u>1,654</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 47,663</u>	<u>\$ 66,098</u>	<u>\$ 18,435</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Courts Computer Research Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$ 2,900	\$ 2,636	\$ (264)
Total Revenues	<u>2,900</u>	<u>2,636</u>	<u>(264)</u>
Expenditures:			
General Government - Judicial:			
Contractual Services	1,800	1,606	194
Other	<u>1,100</u>	<u>--</u>	<u>1,100</u>
Total Expenditures	<u>2,900</u>	<u>1,606</u>	<u>1,294</u>
Excess of Revenues Over Expenditures	--	1,030	1,030
Fund Balance at Beginning of Year	<u>2,142</u>	<u>2,142</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 2,142</u>	<u>\$ 3,172</u>	<u>\$ 1,030</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Time Out Program Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 28,000	\$ 8,000	\$ (20,000)
Other	<u> --</u>	<u> 1,876</u>	<u> 1,876</u>
Total Revenues	<u> 28,000</u>	<u> 9,876</u>	<u> (18,124)</u>
Expenditures:			
Public Safety:			
Personal Services	36,050	34,673	1,377
Other	<u> 50</u>	<u> --</u>	<u> 50</u>
Total Expenditures	<u> 36,100</u>	<u> 34,673</u>	<u> 1,427</u>
Excess of Revenues Over Expenditures	(8,100)	(24,797)	(16,697)
Other Financing Sources:			
Advances - In	--	219	219
Operating Transfers - In	<u> 4,000</u>	<u> 8,000</u>	<u> 4,000</u>
Excess of Revenues and Other Financing Sources over (Under) Expenditures	(4,100)	(16,578)	(12,478)
Fund Balance at Beginning of Year	<u> 16,578</u>	<u> 16,578</u>	<u> --</u>
Fund Balance at End of Year	<u><u> \$ 12,478</u></u>	<u><u> \$ --</u></u>	<u><u> \$ (12,478)</u></u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Court Security Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ --	\$ --	\$ --
Total Revenues	<u> --</u>	<u> --</u>	<u> --</u>
Expenditures:			
Public Safety:			
Materials and Supplies	901	652	249
Other	<u>105</u>	<u> --</u>	<u>105</u>
Total Expenditures	<u>1,006</u>	<u>652</u>	<u>354</u>
Excess of Revenues Over Expenditures	(1,006)	(652)	354
Fund Balance at Beginning of Year	<u>1,006</u>	<u>1,006</u>	<u> --</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 354</u>	<u>\$ 354</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Probate - Juvenile Special Projects Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Fines and Forfeitures	\$ 20,000	\$ 8,825	\$ (11,175)
Total Revenues	<u>20,000</u>	<u>8,825</u>	<u>(11,175)</u>
Expenditures:			
Public Safety:			
Materials and Supplies	10,000	708	9,292
Contractual Services	10,000	--	10,000
Other	<u>8,500</u>	<u>56</u>	<u>8,444</u>
Total Expenditures	<u>28,500</u>	<u>764</u>	<u>27,736</u>
Excess of Revenues Over Expenditures	(8,500)	8,061	16,561
Fund Balance at Beginning of Year	<u>19,631</u>	<u>19,631</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 11,131</u>	<u>\$ 27,692</u>	<u>\$ 16,561</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
After Hours Probation Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 14,492	\$ 12,581	\$ (1,911)
Total Revenues	<u>14,492</u>	<u>12,581</u>	<u>(1,911)</u>
Expenditures:			
Public Safety:			
Personal Services	<u>16,671</u>	<u>14,574</u>	<u>2,097</u>
Total Expenditures	<u>16,671</u>	<u>14,574</u>	<u>2,097</u>
Excess of Revenues Over (Under)Expenditures	(2,179)	(1,993)	186
Other Financing Sources (Uses):			
Advances - In	<u>--</u>	<u>87</u>	<u>87</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(2,179)	(1,906)	273
Fund Balance at Beginning of Year	<u>2,179</u>	<u>2,179</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 273</u>	<u>\$ 273</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance- Budget and Actual
Juvenile Court Social Workers Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 45,080	\$ 45,334	\$ 254
Other	<u>30,000</u>	<u>6,254</u>	<u>(23,746)</u>
Total Revenues	<u>75,080</u>	<u>51,588</u>	<u>(23,492)</u>
Expenditures:			
Public Safety:			
Personal Services	92,136	73,386	18,750
Materials and Supplies	5,000	462	4,538
Contractual Services	6,200	3,333	2,867
Other	<u>40,664</u>	<u>5,417</u>	<u>35,247</u>
Total Expenditures	<u>144,000</u>	<u>82,598</u>	<u>61,402</u>
Excess of Revenues Over (Under) Expenditures	(68,920)	(31,010)	37,910
Other Financing Sources (Uses):			
Advances - Out	<u>--</u>	<u>(306)</u>	<u>(306)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(68,920)	(31,316)	37,604
Fund Balance at Beginning of Year	<u>99,560</u>	<u>99,560</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 30,640</u>	<u>\$ 68,244</u>	<u>\$ 37,604</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Truancy Mediation Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 19,000	\$ --	\$ (19,000)
Total Revenues	<u>19,000</u>	<u>--</u>	<u>(19,000)</u>
Expenditures:			
Public Safety:			
Personal Services	17,778	31	17,747
Materials and Supplies	1,500	--	1,500
Contractual Services	<u>2,294</u>	<u>2,294</u>	<u>--</u>
Total Expenditures	<u>21,572</u>	<u>2,325</u>	<u>19,247</u>
Excess of Revenues Over Expenditures	(2,572)	(2,325)	247
Fund Balance at Beginning of Year	<u>2,572</u>	<u>2,572</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 247</u>	<u>\$ 247</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Automated Title Processing Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$ 218,000	\$ 224,133	\$ 6,133
Other	<u>3,000</u>	<u>294</u>	<u>(2,706)</u>
Total Revenues	<u>221,000</u>	<u>224,427</u>	<u>3,427</u>
Expenditures:			
General Government - Judicial:			
Personal Services	152,487	146,228	6,259
Materials and Supplies	4,913	3,903	1,010
Contractual Services	8,294	5,860	2,434
Other	<u>1,000</u>	<u>880</u>	<u>120</u>
Total Expenditures	<u>166,694</u>	<u>156,871</u>	<u>9,823</u>
Excess of Revenues Over Expenditures	54,306	67,556	13,250
Other Financing Uses:			
Operating Transfers - Out	<u>(100,000)</u>	<u>--</u>	<u>100,000</u>
Excess of Revenues Over (Under) Expenditures and Other Uses	(45,694)	67,556	113,250
Fund Balance at Beginning of Year	184,095	184,095	--
Prior Year Encumbrances Appropriated	<u>744</u>	<u>744</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 139,145</u>	<u>\$ 252,395</u>	<u>\$ 113,250</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Delinquent Tax Assessment Collection Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 78,664	\$ 86,784	\$ 8,120
Other	<u>10,536</u>	<u>336</u>	<u>(10,200)</u>
Total Revenues	<u>89,200</u>	<u>87,120</u>	<u>(2,080)</u>
Expenditures:			
General Government -			
Legislative & Executive:			
Personal Services	55,672	53,034	2,638
Materials and Supplies	4,653	2,174	2,479
Contractual Services	31,426	26,893	4,533
Capital Outlay	3,803	3,803	--
Other	<u>5,000</u>	<u>4,756</u>	<u>244</u>
Total Expenditures	<u>100,554</u>	<u>90,660</u>	<u>9,894</u>
Excess of Revenues Over (Under) Expenditures	(11,354)	(3,540)	7,814
Fund Balance at Beginning of Year	176,210	176,210	--
Prior Year Encumbrances Appropriated	<u>6,284</u>	<u>6,284</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 171,140</u>	<u>\$ 178,954</u>	<u>\$ 7,814</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
**Victims of Crime Act (VOCA) &
State Victims Assistance Act (SVAA) Grant**
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 31,400	\$ 33,809	\$ 2,409
Other	<u> --</u>	<u> 64</u>	<u> 64</u>
Total Revenues	<u>31,400</u>	<u>33,873</u>	<u>2,473</u>
Expenditures:			
General Government			
Legislative & Executive:			
Personal Services	29,508	24,736	4,772
Materials and Supplies	498	267	231
Contractual Services	5,421	3,942	1,479
Other	<u> 1,432</u>	<u> 1,353</u>	<u> 79</u>
Total Expenditures	<u>36,859</u>	<u>30,298</u>	<u>6,561</u>
Excess of Revenues Over (Under) Expenditures	(5,459)	3,575	9,034
Other Financing Sources:			
Operating Transfers - In	<u>15,000</u>	<u>7,644</u>	<u>(7,356)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	9,541	11,219	1,678
Fund Balance at Beginning of Year	<u>1,781</u>	<u>1,781</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 11,322</u>	<u>\$ 13,000</u>	<u>\$ 1,678</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance- Budget and Actual
Marine Patrol Grant Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 21,721	\$ 16,721	\$ (5,000)
Total Revenues	<u>21,721</u>	<u>16,721</u>	<u>(5,000)</u>
Expenditures:			
Public Safety:			
Personal Services	17,540	17,439	101
Materials and Supplies	<u>598</u>	<u>408</u>	<u>190</u>
Total Expenditures	<u>18,138</u>	<u>17,847</u>	<u>291</u>
Excess of Revenues Over (Under) Expenditures	3,583	(1,126)	(4,709)
Other Financing Sources (Uses):			
Advances - Out	<u>(5,000)</u>	<u>--</u>	<u>5,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,417)	(1,126)	291
Fund Balance at Beginning of Year	<u>1,417</u>	<u>1,417</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 291</u>	<u>\$ 291</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Drug Abuse Resistance Education Grant Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 18,000	\$ 17,926	\$ (74)
Other	<u>50</u>	<u>--</u>	<u>(50)</u>
Total Revenues	<u>18,050</u>	<u>17,926</u>	<u>(124)</u>
Expenditures:			
Public Safety:			
Personal Services	<u>25,131</u>	<u>21,918</u>	<u>3,213</u>
Total Expenditures	<u>25,131</u>	<u>21,918</u>	<u>3,213</u>
Excess of Revenues Over Expenditures	(7,081)	(3,992)	3,089
Fund Balance at Beginning of Year	<u>7,081</u>	<u>7,081</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 3,089</u>	<u>\$ 3,089</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Community Policing Grant Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ --	\$ --	\$ --
Total Revenues	<u> --</u>	<u> --</u>	<u> --</u>
Expenditures:			
Public Safety:			
Personal Services	<u> 18</u>	<u> --</u>	<u> 18</u>
Total Expenditures	<u> 18</u>	<u> --</u>	<u> 18</u>
Excess of Revenues Over Expenditures	(18)	--	18
Fund Balance at Beginning of Year	<u> 18</u>	<u> 18</u>	<u> --</u>
Fund Balance at End of Year	<u><u> --</u></u>	<u><u> 18</u></u>	<u><u> 18</u></u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Common Pleas Prison Reduction Grant Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 31,000	\$ --	\$ (31,000)
Total Revenues	<u>31,000</u>	<u>--</u>	<u>(31,000)</u>
Expenditures:			
Public Safety:			
Personal Services	<u>--</u>	<u>--</u>	<u>--</u>
Total Expenditures	<u>--</u>	<u>--</u>	<u>--</u>
Excess of Revenues Over Expenditures	31,000	--	(31,000)
Other Financing Sources (Uses):			
Operating Transfers - Out	<u>(7)</u>	<u>--</u>	<u>7</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	30,993	--	(30,993)
Fund Balance at Beginning of Year	<u>7</u>	<u>7</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 31,000</u>	<u>\$ 7</u>	<u>\$ (30,993)</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Common Pleas Jail Diversion Grant Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 55,237	\$ 50,473	\$ (4,764)
Other	<u> --</u>	<u> 44</u>	<u> 44</u>
Total Revenues	<u>55,237</u>	<u>50,517</u>	<u>(4,720)</u>
Expenditures:			
Public Safety:			
Personal Services	54,573	45,641	8,932
Materials and Supplies	362	--	362
Contractual Services	<u>4,661</u>	<u>3,186</u>	<u>1,475</u>
Total Expenditures	<u>59,596</u>	<u>48,827</u>	<u>10,769</u>
Excess of Revenues Over Expenditures	(4,359)	1,690	6,049
Fund Balance at Beginning of Year	4,274	4,274	--
Prior Year Encumbrances Appropriated	<u> 85</u>	<u> 85</u>	<u> --</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 6,049</u>	<u>\$ 6,049</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Drug Court Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 70,000	\$ --	\$ (70,000)
Total Revenues	<u>70,000</u>	<u>--</u>	<u>(70,000)</u>
Expenditures:			
Public Safety:			
Personal Services	11,400	37	11,363
Materials and Supplies	17,137	--	17,137
Contractual Services	<u>81,615</u>	<u>40,115</u>	<u>41,500</u>
Total Expenditures	<u>110,152</u>	<u>40,152</u>	<u>70,000</u>
Excess of Revenues Over (Under) Expenditures	(40,152)	(40,152)	--
Fund Balance at Beginning of Year	<u>40,152</u>	<u>40,152</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
911 Emergency Calling System Fund
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 980,000	\$1,068,348	\$ 88,348
Other	--	7,672	7,672
Total Revenues	<u>980,000</u>	<u>1,076,020</u>	<u>96,020</u>
Expenditures:			
Public Safety:			
Personal Services	1,031,422	783,138	248,284
Materials and Supplies	913,148	288,302	624,846
Contractual Services	129,941	18,348	111,593
Capital Outlay	23,707	23,707	--
Other	70,463	24,773	45,690
Total Expenditures	<u>2,168,681</u>	<u>1,138,268</u>	<u>1,030,413</u>
Excess of Revenues Over (Under) Expenditures	(1,188,681)	(62,248)	1,126,433
Fund Balance at Beginning of Year	1,268,662	1,268,662	--
Prior Year Encumbrances Appropriated	<u>241,259</u>	<u>241,259</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 321,240</u>	<u>\$1,447,673</u>	<u>\$ 1,126,433</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Public Assistance Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$5,518,183	\$4,816,222	\$ (701,961)
Other	<u>102,305</u>	<u>326,339</u>	<u>224,034</u>
Total Revenues	<u>5,620,488</u>	<u>5,142,561</u>	<u>(477,927)</u>
Expenditures:			
Human Services:			
Personal Services	2,613,995	2,484,054	129,941
Materials and Supplies	257,552	171,136	86,416
Contractual Services	3,049,397	2,502,954	546,443
Capital Outlay	110,195	110,195	--
Other	<u>870,848</u>	<u>535,029</u>	<u>335,819</u>
Total Expenditures	<u>6,901,987</u>	<u>5,803,368</u>	<u>1,098,619</u>
Excess of Revenues Over (Under) Expenditures	(1,281,499)	(660,807)	620,692
Other Financing Sources (Uses):			
Operating Transfers - Out	<u>(388,139)</u>	<u>(388,139)</u>	<u>--</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,669,638)	(1,048,946)	620,692
Fund Balance at Beginning of Year	1,305,109	1,305,109	--
Prior Year Encumbrances Appropriated	<u>364,529</u>	<u>364,529</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 620,692</u>	<u>\$ 620,692</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Child Abuse Prevention Grant Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 5,055	\$ 10,109	\$ 5,054
Total Revenues	<u>5,055</u>	<u>10,109</u>	<u>5,054</u>
Expenditures:			
Human Services:			
Contractual Services	<u>9,859</u>	<u>9,859</u>	<u>--</u>
Total Expenditures	<u>9,859</u>	<u>9,859</u>	<u>--</u>
Excess of Revenues Over (Under) Expenditures	(4,804)	250	5,054
Fund Balance at Beginning of Year	<u>4,805</u>	<u>4,805</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 1</u>	<u>\$ 5,055</u>	<u>\$ 5,054</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Litter & Recycle Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$ 42,122	\$ 19,800	\$ (22,322)
Intergovernmental	57,878	57,878	--
Other	<u>--</u>	<u>547</u>	<u>547</u>
Total Revenues	<u>100,000</u>	<u>78,225</u>	<u>(21,775)</u>
Expenditures:			
Health:			
Personal Services	62,143	61,942	201
Materials and Supplies	12,642	12,403	239
Contractual Services	4,949	4,936	13
Other	<u>2,626</u>	<u>2,625</u>	<u>1</u>
Total Expenditures	<u>82,360</u>	<u>81,906</u>	<u>454</u>
Excess of Revenues Over (Under) Expenditures	17,640	(3,681)	(21,321)
Other Financing Sources:			
Operating Transfers - In	<u>--</u>	<u>6,000</u>	<u>6,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	17,640	2,319	(15,321)
Fund Balance at Beginning of Year	42	42	--
Prior Year Encumbrances Appropriated	<u>387</u>	<u>387</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 18,069</u>	<u>\$ 2,748</u>	<u>\$ (15,321)</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Child Support Enforcement Agency Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$ 122,667	\$ 128,227	\$ 5,560
Intergovernmental	908,333	911,165	2,832
Other	<u>10,000</u>	<u>1,852</u>	<u>(8,148)</u>
Total Revenues	<u>1,041,000</u>	<u>1,041,244</u>	<u>244</u>
Expenditures:			
Human Services:			
Personal Services	480,493	477,623	2,870
Materials and Supplies	15,000	6,227	8,773
Contractual Services	427,007	263,496	163,511
Other	<u>245,000</u>	<u>236,476</u>	<u>8,524</u>
Total Expenditures	<u>1,167,500</u>	<u>983,822</u>	<u>183,678</u>
Excess of Revenues Over (Under) Expenditures	(126,500)	57,422	183,922
Fund Balance at Beginning of Year	122,075	122,075	--
Prior Year Encumbrances Appropriated	<u>4,425</u>	<u>4,425</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 183,922</u>	<u>\$ 183,922</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Real Estate Assessment Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$ 438,000	\$ 407,522	\$ (30,478)
Other	<u>1,000</u>	<u>--</u>	<u>(1,000)</u>
Total Revenues	<u>439,000</u>	<u>407,522</u>	<u>(31,478)</u>
Expenditures:			
General Government - Legislative and Executive:			
Personal Services	190,094	183,866	6,228
Materials and Supplies	20,631	13,808	6,823
Contractual Services	530,150	529,955	195
Capital Outlay	12,225	12,225	--
Other	<u>10,210</u>	<u>10,178</u>	<u>32</u>
Total Expenditures	<u>763,310</u>	<u>750,032</u>	<u>13,278</u>
Excess of Revenues Over (Under) Expenditures	(324,310)	(342,510)	(18,200)
Fund Balance at Beginning of Year	502,713	502,713	--
Prior Year Encumbrances Appropriated	<u>86,709</u>	<u>86,709</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 265,112</u>	<u>\$ 246,912</u>	<u>\$ (18,200)</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Motor Vehicle and Gasoline Tax Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 580,000	\$ 617,491	\$ 37,491
Fines and Forfeitures	12,000	12,528	528
Intergovernmental	3,230,000	3,244,899	14,899
Interest	8,500	4,325	(4,175)
Other	<u>137,659</u>	<u>42,762</u>	<u>(94,897)</u>
Total Revenues	<u>3,968,159</u>	<u>3,922,005</u>	<u>(46,154)</u>
Expenditures:			
Public Works:			
Personal Services	1,708,200	1,701,494	6,706
Materials and Supplies	687,064	677,261	9,803
Contractual Services	1,321,781	1,227,388	94,393
Capital Outlay	208,882	208,882	--
Intergovernmental	58,237	58,237	--
Other	<u>47,005</u>	<u>46,784</u>	<u>221</u>
Total Expenditures	<u>4,031,169</u>	<u>3,920,046</u>	<u>111,123</u>
Excess of Revenues Over (Under) Expenditures	(63,010)	1,959	64,969
Other Financing Sources:			
Sale of Fixed Assets	--	35,335	35,335
Operating Transfers - In	<u>50,000</u>	<u>--</u>	<u>(50,000)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(13,010)	37,294	50,304
Fund Balance at Beginning of Year	2,851	2,851	--
Prior Year Encumbrances Appropriated	<u>33,809</u>	<u>33,809</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 23,650</u>	<u>\$ 73,954</u>	<u>\$ 50,304</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Youth Services Grant Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 699,318	\$ 362,771	\$ (336,547)
Other	<u> --</u>	<u> 2,843</u>	<u> 2,843</u>
Total Revenues	<u>699,318</u>	<u>365,614</u>	<u>(333,704)</u>
Expenditures:			
Public Safety:			
Personal Services	570,183	366,064	204,119
Materials and Supplies	1,342	601	741
Contractual Services	<u>106,001</u>	<u>80,707</u>	<u>25,294</u>
Total Expenditures	<u>677,526</u>	<u>447,372</u>	<u>230,154</u>
Excess of Revenues Over (Under) Expenditures	21,792	(81,758)	(103,550)
Fund Balance at Beginning of Year	170,622	170,622	--
Prior Year Encumbrances Appropriated	<u>1,524</u>	<u>1,524</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 193,938</u>	<u>\$ 90,388</u>	<u>\$ (103,550)</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Ditch Maintenance Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Special Assessments	\$ 11,000	\$ 5,014	\$ (5,986)
Total Revenues	<u>11,000</u>	<u>5,014</u>	<u>(5,986)</u>
Expenditures:			
Capital Outlay:			
Contractual Services	23,769	14,500	9,269
Other	<u>80</u>	<u>--</u>	<u>80</u>
Total Expenditures	<u>23,849</u>	<u>14,500</u>	<u>9,349</u>
Excess of Revenues Over (Under) Expenditures	(12,849)	(9,486)	3,363
Other Financing Sources (Uses):			
Advances - In	<u>7,000</u>	<u>7,000</u>	<u>--</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(5,849)	(2,486)	3,363
Fund Balance at Beginning of Year	<u>5,849</u>	<u>5,849</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 3,363</u>	<u>\$ 3,363</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Children Services Board Fund

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 890,000	\$ 855,267	\$ (34,733)
Charges for Services	59,718	70,780	11,062
Intergovernmental	1,761,682	1,559,987	(201,695)
Other	<u>3,500</u>	<u>5,666</u>	<u>2,166</u>
Total Revenues	<u>2,714,900</u>	<u>2,491,700</u>	<u>(223,200)</u>
Expenditures:			
Human Services:			
Personal Services	891,328	805,833	85,495
Materials and Supplies	11,653	7,003	4,650
Contractual Services	850,315	813,214	37,101
Other	<u>762,064</u>	<u>753,948</u>	<u>8,116</u>
Total Expenditures	<u>2,515,360</u>	<u>2,379,998</u>	<u>135,362</u>
Excess of Revenues Over (Under) Expenditures	199,540	111,702	(87,838)
Other Financing Sources (Uses):			
Operating Transfers - Out	<u>(50,545)</u>	<u>(50,000)</u>	<u>545</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	148,995	61,702	(87,293)
Fund Balance at Beginning of Year	2,250,955	2,250,955	--
Prior Year Encumbrances Appropriated	<u>8,905</u>	<u>8,905</u>	<u>--</u>
Fund Balance at End of Year	<u>\$2,408,855</u>	<u>\$2,321,562</u>	<u>\$ (87,293)</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Mental Retardation Fund

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$1,205,710	\$1,242,948	\$ 37,238
Charges for Services	40,445	50,315	9,870
Intergovernmental	1,590,996	1,452,088	(138,908)
Other	<u>1,000</u>	<u>1,329</u>	<u>329</u>
Total Revenues	<u>2,838,151</u>	<u>2,746,680</u>	<u>(91,471)</u>
Expenditures:			
Human Services:			
Personal Services	2,759,219	2,362,802	396,417
Materials and Supplies	115,033	87,535	27,498
Contractual Services	1,877,646	501,707	1,375,939
Capital Outlay	32,143	32,143	--
Other	<u>5,500</u>	<u>754</u>	<u>4,746</u>
Total Expenditures	<u>4,789,541</u>	<u>2,984,941</u>	<u>1,804,600</u>
Excess of Revenues Over (Under) Expenditures	(1,951,390)	(238,261)	1,713,129
Other Financing Sources:			
Other Financing Sources	<u>7,980</u>	<u>91,812</u>	<u>83,832</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,943,410)	(146,449)	1,796,961
Fund Balance at Beginning of Year	1,855,899	1,855,899	--
Prior Year Encumbrances Appropriated	<u>87,511</u>	<u>87,511</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$1,796,961</u>	<u>\$ 1,796,961</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Water Resource Study Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ --	\$ --	\$ --
Total Revenues	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Expenditures:			
Health:			
Contractual Services	500	--	500
Total Expenditures	<u> 500</u>	<u> --</u>	<u> 500</u>
Excess of Revenues Over (Under) Expenditures	(500)	--	500
Fund Balance at Beginning of Year	<u> 500</u>	<u> 500</u>	<u> --</u>
Fund Balance at End of Year	<u><u>\$ --</u></u>	<u><u>\$ 500</u></u>	<u><u>\$ 500</u></u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Emergency Management Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 134,533	\$ 51,846	\$ (82,687)
Other	<u>8,967</u>	<u>7,437</u>	<u>(1,530)</u>
Total Revenues	<u>143,500</u>	<u>59,283</u>	<u>(84,217)</u>
Expenditures:			
Public Safety:			
Personal Services	44,890	40,254	4,636
Materials and Supplies	120,395	8,267	112,128
Contractual Services	2,958	1,432	1,526
Other	<u>40,265</u>	<u>27,855</u>	<u>12,410</u>
Total Expenditures	<u>208,508</u>	<u>77,808</u>	<u>130,700</u>
Excess of Revenues Over (Under) Expenditures	(65,008)	(18,525)	46,483
Other Financing Uses:			
Sales of Fixed Assets	275	275	--
Operating Transfers - In	<u>--</u>	<u>30,000</u>	<u>30,000</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(64,733)	11,750	76,483
Fund Balance at Beginning of Year	72,991	72,991	--
Prior Year Encumbrances Appropriated	<u>2,306</u>	<u>2,306</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 10,564</u>	<u>\$ 87,047</u>	<u>\$ 76,483</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Family Resources Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 37,958	\$ 30,816	\$ (7,142)
Total Revenues	<u>37,958</u>	<u>30,816</u>	<u>(7,142)</u>
Expenditures:			
Human Services:			
Personal Services	2,427	2,427	--
Contractual Services	<u>61,508</u>	<u>47,001</u>	<u>14,507</u>
Total Expenditures	<u>63,935</u>	<u>49,428</u>	<u>14,507</u>
Excess of Revenues Over (Under) Expenditures	(25,977)	(18,612)	7,365
Fund Balance at Beginning of Year	19,730	19,730	--
Prior Year Encumbrances Appropriated	<u>6,247</u>	<u>6,247</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 7,365</u>	<u>\$ 7,365</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Home Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 123,870	\$ 61,543	\$ (62,327)
Total Revenues	<u>123,870</u>	<u>61,543</u>	<u>(62,327)</u>
Expenditures:			
Human Services:			
Contractual Services	<u>142,937</u>	<u>79,481</u>	<u>63,456</u>
Total Expenditures	<u>142,937</u>	<u>79,481</u>	<u>63,456</u>
Excess of Revenues Over Under Expenditures	(19,067)	(17,938)	1,129
Fund Balance at Beginning of Year	720	720	--
Prior Year Encumbrances Appropriated	<u>18,347</u>	<u>18,347</u>	<u>--</u>
Fund Balance (Deficit) at End of Year	<u>\$ --</u>	<u>\$ 1,129</u>	<u>\$ 1,129</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Marriage License Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Charges for Services	\$ 16,500	\$ 14,259	\$ (2,241)
Total Revenues	<u>16,500</u>	<u>14,259</u>	<u>(2,241)</u>
Expenditures:			
Health:			
Contractual Services	<u>16,500</u>	<u>14,650</u>	<u>1,850</u>
Total Expenditures	<u>16,500</u>	<u>14,650</u>	<u>1,850</u>
Excess of Revenues Over (Under) Expenditures	--	(391)	(391)
Fund Balance at Beginning of Year	<u>391</u>	<u>391</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 391</u>	<u>\$ --</u>	<u>\$ (391)</u>

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Knox County, Ohio

Debt Service Funds

Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of, general long-term debt principal, interest, and related costs. Following is a description of all debt services funds:

Bond Retirement

The fund accounts for the retirement of the principal and interest of the outstanding debt of the County.

Ohio Water Development Authority

The fund accounts for revenue received from special assessment money to repay the OWDA loan used to construct a water tower at Apple Valley.

Knox County, Ohio

Combining Balance Sheet
All Debt Service Funds
 December 31, 2002

	<u>Bond Retirement</u>	<u>Ohio Water Development Authority</u>	<u>Totals</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 571,925	\$ 180	\$ 572,105
Receivables:			
Special Assessments	477,749	--	477,749
Due from Other Funds	<u>111,893</u>	<u>--</u>	<u>111,893</u>
Total Assets	<u>\$1,161,567</u>	<u>\$ 180</u>	<u>\$1,161,747</u>
Liabilities and Fund Equity:			
Liabilities:			
Deferred Revenue	477,749	--	477,749
Matured Bonds Payable	15,000	--	15,000
Matured Interest Payable	<u>33,379</u>	<u>--</u>	<u>33,379</u>
Total Liabilities	<u>526,128</u>	<u>--</u>	<u>526,128</u>
Fund Equity:			
Fund Balance:			
Unreserved, Undesignated	<u>635,439</u>	<u>180</u>	<u>635,619</u>
Total Fund Equity	<u>635,439</u>	<u>180</u>	<u>635,619</u>
Total Liabilities and Fund Equity	<u>\$1,161,567</u>	<u>\$ 180</u>	<u>\$1,161,747</u>

Knox County, Ohio

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances

All Debt Service Funds

For the Year Ended December 31, 2002

	<u>Bond Retirement</u>	<u>Ohio Water Development Authority</u>	<u>Totals</u>
Revenues:			
Special Assessments	\$ 180,385	\$ --	\$ 180,385
Other Revenue	<u>185,115</u>	<u>\$ --</u>	<u>\$ 185,115</u>
Total Revenues	<u>365,500</u>	<u>--</u>	<u>365,500</u>
Expenditures:			
Other	1,396	--	1,396
Debt Service:			
Principal Retirement	710,000	--	710,000
Interest and Fiscal Charges	<u>615,917</u>	<u>--</u>	<u>615,917</u>
Total Expenditures	<u>1,327,313</u>	<u>--</u>	<u>1,327,313</u>
Excess of Revenues Over Expenditures	(961,813)	--	(961,813)
Other Financing Uses:			
Operating Transfers - In	<u>1,018,887</u>	<u>--</u>	<u>1,018,887</u>
Excess of Revenues Over Expenditures and Other Uses	57,074	--	57,074
Fund Balance at Beginning of Year	<u>578,365</u>	<u>180</u>	<u>578,545</u>
Fund Balance at End of Year	<u>\$ 635,439</u>	<u>\$ 180</u>	<u>\$ 635,619</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Bond Retirement Fund

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Special Assessments	\$ 502,500	\$ 326,743	\$ (175,757)
Total Revenues	<u>502,500</u>	<u>326,743</u>	<u>(175,757)</u>
Expenditures:			
Debt Service:			
Principal Retirement	860,000	710,000	150,000
Interest and Fiscal Charges	728,937	617,864	111,073
Other	<u>10,000</u>	<u>1,396</u>	<u>8,604</u>
Total Expenditures	<u>1,598,937</u>	<u>1,329,260</u>	<u>269,677</u>
Excess of Revenues Over (Under) Expenditures	(1,096,437)	(1,002,517)	93,920
Other Financing Uses:			
Other Financing Sources	454,870	185,115	(269,755)
Operating Transfers - In	<u>530,677</u>	<u>1,018,887</u>	<u>488,210</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(110,890)	201,485	312,375
Fund Balance at Beginning of Year	<u>370,143</u>	<u>370,143</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 259,253</u>	<u>\$ 571,628</u>	<u>\$ 312,375</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual
Ohio Water Development Authority Fund
 Budget Basis
 For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Special Assessments	\$ --	\$ --	\$ --
Total Revenues	<u> --</u>	<u> --</u>	<u> --</u>
Excess of Revenues Over (Under) Expenditures	--	--	--
Fund Balance at Beginning of Year	<u> 180</u>	<u> 180</u>	<u> --</u>
Fund Balance at End of Year	<u>\$ 180</u>	<u>\$ 180</u>	<u>\$ --</u>

Knox County, Ohio

Capital Projects Funds

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

Permanent Improvement

The fund accounts for a transfer from the General Fund and will be used for capital improvements to County owned buildings.

Dog & Kennel Equipment

The fund accounts for expenses to equip and furnish a Dog Pound.

Correctional Facility Construction

The fund accounts for expenses to construct, equip and furnish a facility to house a county jail, including an emergency operations center and the office of the County Sheriff.

Issue 2

The fund accounts for road and bridge construction projects, partially funded by State grants from the Ohio Public Works Commission.

Sewer Construction

The fund accounts for investment income from original Apple Valley Sewer project money. The expenditures are for the construction of a water tower at Apple Valley.

MR 645 - EC/FC

The fund is a grant from the State Early Childhood/Family Center to be used to add an additional wing to the New Hope School.

JFS Training Center

The fund accounts for expenses to construct, equip and furnish a Training Center for the Department of Job and Family Services.

Children's Resource Center

The fund accounts for expenses to construct, equip, and furnish a children's resource center for the use of the department of Human Services.

Board of Health Center

The fund accounts for expenses to construct, equip and furnish a County Health Department.

Community Development Block Grant

Revenue is received from the federal government and is used for major construction projects.

(Continued)

Knox County, Ohio

Capital Projects Funds (Continued)

Fredericktown Sewer Project

The fund accounts for a Community Development Block Grant to construct sewer and water lines near Fredericktown Village.

Highway Planning & Construction Grant

The fund accounts for planning and construction of county roads, partially funded by Ohio Department of Transportation.

Knox County, Ohio
Combining Balance Sheet
All Capital Projects Funds
December 31, 2002

	Permanent Improvement	Dog & Kennel Equipment	Correctional Facility Construction
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 656,697	\$ 2,876	\$ 1,278,113
Cash and Cash Equivalents with Fiscal and Escrow Agents	-	-	188,764
Due from Other Governments	-	-	-
 Total Assets	 \$ 656,697	 \$ 2,876	 \$ 1,466,877
 Liabilities and Fund Equity:			
Liabilities:			
Contracts Payable	\$ 11,625	\$ -	\$ -
Retainage Payable	-	-	188,764
Deferred Revenue	-	-	-
 Total Liabilities	 11,625	 -	 188,764
 Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	62,775	-	113,396
Unreserved, Undesignated (Deficit)	582,297	2,876	1,164,717
 Total Fund Equity	 645,072	 2,876	 1,278,113
 Total Liabilities and Fund Equity	 \$ 656,697	 \$ 2,876	 \$ 1,466,877

<u>Sewer Construction</u>	<u>JFS Training Center</u>	<u>Children's Resource Center</u>	<u>Board of Health Center</u>	<u>Community Development Block Grant</u>
\$ 448,207	\$ 37,759	\$ 188,980	\$ 90	\$ 2,726
-	49,197	11,414	-	-
-	-	-	-	224,015
<u>\$ 448,207</u>	<u>\$ 86,956</u>	<u>\$ 200,394</u>	<u>\$ 90</u>	<u>\$ 226,741</u>
\$ 19,296	\$ -	\$ -	\$ -	\$ 27,543
-	49,197	11,414	39,787	-
-	-	-	-	188,263
<u>19,296</u>	<u>49,197</u>	<u>11,414</u>	<u>39,787</u>	<u>215,806</u>
421,922	29,105	53,800	-	-
<u>6,989</u>	<u>8,654</u>	<u>135,180</u>	<u>(39,697)</u>	<u>10,935</u>
<u>428,911</u>	<u>37,759</u>	<u>188,980</u>	<u>(39,697)</u>	<u>10,935</u>
<u>\$ 448,207</u>	<u>\$ 86,956</u>	<u>\$ 200,394</u>	<u>\$ 90</u>	<u>\$ 226,741</u>

(Continued)

Knox County, Ohio

Combining Balance Sheet
All Capital Projects Funds (Continued)
 December 31, 2002

	<u>Fredericktown Sewer Project</u>	<u>Highway Planning & Construction Grant</u>	<u>Totals</u>
Assets:			
Equity in Pooled Cash and Cash Equivalents	\$ 6,794	\$ -	\$ 2,622,242
Cash and Cash Equivalents with Fiscal and Escrow Agents	-	-	249,375
Due from Other Governments	-	211,215	435,230
Total Assets	<u>\$ 6,794</u>	<u>\$ 211,215</u>	<u>\$ 3,306,847</u>
Liabilities and Fund Equity:			
Liabilities:			
Contracts Payable	\$ -	\$ 211,215	\$ 269,679
Retainage Payable	-	-	289,162
Deferred Revenue	-	-	188,263
Total Liabilities	<u>-</u>	<u>211,215</u>	<u>747,104</u>
Fund Equity:			
Fund Balance:			
Reserved for Encumbrances	-	-	680,998
Unreserved, Undesignated (Deficit)	<u>6,794</u>	<u>-</u>	<u>1,878,745</u>
Total Fund Equity	<u>6,794</u>	<u>-</u>	<u>2,559,743</u>
Total Liabilities and Fund Equity	<u>\$ 6,794</u>	<u>\$ 211,215</u>	<u>\$ 3,306,847</u>

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Knox County, Ohio

Combining Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 All Capital Projects Funds
 For the Year Ended December 31, 2002

	<u>Permanent Improvement</u>	<u>Dog & Kennel Equipment</u>	<u>Correctional Facility Construction</u>	<u>Issue 2</u>
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 19,600	\$ 184,510
Interest	-	-	20,037	-
Other	6,253	300	1,070	-
Total Revenues	<u>6,253</u>	<u>300</u>	<u>40,707</u>	<u>184,510</u>
Expenditures				
Capital Outlay	245,334	-	522,201	184,510
Debt Service: Interest and Fiscal Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>245,334</u>	<u>-</u>	<u>522,201</u>	<u>184,510</u>
Excess of Revenues Over (Under) Expenditures	(239,081)	300	(481,494)	-
Proceeds of Bonds	-	-	-	-
Premium on Bond	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures	(239,081)	300	(481,494)	-
Fund Balances at Beginning of Year	<u>884,153</u>	<u>2,576</u>	<u>1,759,607</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 645,072</u>	<u>\$ 2,876</u>	<u>\$ 1,278,113</u>	<u>\$ -</u>

<u>Sewer Construction</u>	<u>MR 645 EC/FC</u>	<u>JFS Training Center</u>	<u>Children's Resource Center</u>	<u>Board of Health Center</u>	<u>Community Development Block Grant</u>
\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ 154,985
13,822	-	19,341	7,654	66	38
-	-	-	-	-	315
<u>13,822</u>	<u>50,000</u>	<u>19,341</u>	<u>7,654</u>	<u>66</u>	<u>155,338</u>
398,474	73,707	1,094,489	341,022	16,364	141,236
-	-	92,901	-	-	-
<u>398,474</u>	<u>73,707</u>	<u>1,187,390</u>	<u>341,022</u>	<u>16,364</u>	<u>141,236</u>
(384,652)	(23,707)	(1,168,049)	(333,368)	(16,298)	14,102
-	-	1,360,000	-	-	-
-	-	1,630	-	-	-
(384,652)	(23,707)	193,581	(333,368)	(16,298)	14,102
<u>813,563</u>	<u>23,707</u>	<u>(155,822)</u>	<u>522,348</u>	<u>(23,399)</u>	<u>(3,167)</u>
<u>\$ 428,911</u>	<u>\$ -</u>	<u>\$ 37,759</u>	<u>\$ 188,980</u>	<u>\$ (39,697)</u>	<u>\$ 10,935</u>

(Continued)

Knox County, Ohio

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances

All Capital Projects Funds (Continued)
For the Year Ended December 31, 2002

	Fredericktown Sewer Project	Highway Planning & Construction Grant	Totals
Revenues:			
Intergovernmental	\$ -	\$ 2,466,613	\$ 2,875,708
Interest	-	-	60,958
Other	-	-	7,938
Total Revenues	<u>-</u>	<u>2,466,613</u>	<u>2,944,604</u>
Expenditures			
Capital Outlay	-	2,466,613	5,483,950
Debt Service:			
Interest and Fiscal Charges	-	-	92,901
Total Expenditures	<u>-</u>	<u>2,466,613</u>	<u>5,576,851</u>
Excess of Revenues Over (Under) Expenditures	-	-	(2,632,247)
Proceeds of Bonds	-	-	1,360,000
Premium on Bond	-	-	1,630
Excess of Revenues and Other Financing Sources Over Expenditures	-	-	(1,270,617)
Fund Balances at Beginning of Year	<u>6,794</u>	<u>-</u>	<u>3,830,360</u>
Fund Balances at End of Year	<u>\$ 6,794</u>	<u>-</u>	<u>\$ 2,559,743</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Permanent Improvement Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Other	\$ 1,500	\$ 6,253	\$ 4,753
Total Revenues	<u>\$ 1,500</u>	<u>\$ 6,253</u>	<u>\$ 4,753</u>
Expenditures:			
Capital Outlay:			
Contractual Services	1,063,779	81,561	982,218
Capital Outlay	<u>350,167</u>	<u>350,167</u>	<u>--</u>
Total Expenditures	<u>1,413,946</u>	<u>431,728</u>	<u>982,218</u>
Excess of Revenues Over (Under) Expenditures	(1,412,446)	(425,475)	986,971
Other Financing Sources:			
Operating Transfers - In	<u>400,000</u>	<u>--</u>	<u>(400,000)</u>
Excess of Revenues and Other Financing Sources Over Expenditures	(1,012,446)	(425,475)	586,971
Fund Balance at Beginning of Year	918,124	918,124	--
Prior Year Encumbrances Appropriated	<u>94,946</u>	<u>94,946</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 624</u>	<u>\$ 587,595</u>	<u>\$ 586,971</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Dog & Kennel Equipment Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Other	\$ --	\$ 300	\$ 300
Total Revenues	<u> --</u>	<u> 300</u>	<u> 300</u>
Expenditures:			
Capital Outlay:			
Materials and Supplies	<u> 2,576</u>	<u> --</u>	<u> 2,576</u>
Total Expenditures	<u> 2,576</u>	<u> --</u>	<u> 2,576</u>
Excess of Revenues Over Expenditures	(2,576)	300	2,876
Fund Balance at Beginning of Year	<u> 2,576</u>	<u> 2,576</u>	<u> --</u>
Fund Balance at End of Year	<u> --</u>	<u> 2,876</u>	<u> 2,876</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Correctional Facility Construction
Budget Basis
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ --	\$ 429,551	\$ 429,551
Interest	--	15,805	15,805
Other	--	1,070	1,070
Total Revenues	--	446,426	446,426
Expenditures:			
Capital Outlay:			
Contractual Services	995,122	278,989	716,133
Capital Outlay	704,909	704,909	--
Total Expenditures	1,700,031	983,898	716,133
Excess of Revenues Over (Under) Expenditures	(1,700,031)	(537,472)	1,162,559
Fund Balance at Beginning of Year	1,014,100	1,014,100	--
Prior Year Encumbrances Appropriated	685,931	685,931	--
Fund Balance at End of Year	\$ --	\$1,162,559	\$ 1,162,559

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual

Issue 2 Fund

Budget Basis

For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 250,000	\$ 184,510	\$ (65,490)
Total Revenues	<u>250,000</u>	<u>184,510</u>	<u>(65,490)</u>
Expenditures:			
Capital Outlay:			
Capital Outlay	<u>250,000</u>	<u>184,510</u>	<u>65,490</u>
Total Expenditures	<u>250,000</u>	<u>184,510</u>	<u>65,490</u>
Excess of Revenues Over Expenditures	--	--	--
Fund Balance at Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Sewer Construction Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 200,000	\$ --	\$ (200,000)
Interest	<u>50,000</u>	<u>14,629</u>	<u>\$ (35,371)</u>
Total Revenues	<u>250,000</u>	<u>14,629</u>	<u>(235,371)</u>
Expenditures:			
Capital Outlay:			
Capital Outlay	<u>873,802</u>	<u>820,396</u>	<u>53,406</u>
Total Expenditures	<u>873,802</u>	<u>820,396</u>	<u>53,406</u>
Excess of Revenues Over (Under) Expenditures	(623,802)	(805,767)	(181,965)
Fund Balance at Beginning of Year	750,238	750,238	--
Prior Year Encumbrances Appropriated	<u>61,782</u>	<u>61,782</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ 188,218</u>	<u>\$ 6,253</u>	<u>\$ (181,965)</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
MR 645 EC/FC Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Revenues:			
Intergovernmental	\$ 50,000	\$ 50,000	\$ --
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>--</u>
Expenditures:			
Capital Outlay:			
Materials and Supplies	3,210	3,210	--
Contractual Services	13,191	13,191	--
Capital Outlay	<u>17,136</u>	<u>17,136</u>	<u>--</u>
Total Expenditures	<u>33,537</u>	<u>33,537</u>	<u>--</u>
Excess of Revenues Over (Under) Expenditures	16,463	16,463	--
Other Financing Sources (Uses):			
Other Financing Uses	<u>(85,001)</u>	<u>(85,001)</u>	<u>--</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(68,538)	(68,538)	--
Fund Balance at Beginning of Year	35,000	35,000	--
Prior Year Encumbrances Appropriated	<u>33,538</u>	<u>33,538</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
JFS Training Center
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Interest	\$ 18,802	\$ 20,622	\$ 1,820
Other	<u>25,701</u>	<u>--</u>	<u>(25,701)</u>
Total Revenues	<u>44,503</u>	<u>20,622</u>	<u>(23,881)</u>
Expenditures:			
Capital Outlay:			
Contractual Services	176,204	144,487	31,717
Capital Outlay	<u>1,140,185</u>	<u>1,140,185</u>	<u>--</u>
Total Capital Outlay	<u>1,316,389</u>	<u>1,284,672</u>	<u>31,717</u>
Debt Service:			
Principal Retirement	1,300,000	1,300,000	--
Interest and Fiscal Charges	<u>117,201</u>	<u>117,201</u>	<u>--</u>
Total Debt Service	<u>1,417,201</u>	<u>1,417,201</u>	<u>--</u>
Total Expenditures	<u>2,733,590</u>	<u>2,701,873</u>	<u>31,717</u>
Total Expenditures			
Excess of Revenues Over (Under) Expenditures	(2,689,087)	(2,681,251)	7,836
Other Financing Sources:			
Proceeds of Bonds	1,384,300	1,384,300	--
Premium on Bond	<u>1,630</u>	<u>1,630</u>	<u>--</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(1,303,157)	(1,295,321)	7,836
Fund Balances at Beginning of Year	90,364	90,364	--
Prior Year Encumbrances Appropriated	<u>1,212,793</u>	<u>1,212,793</u>	<u>--</u>
Fund Balance (Deficit) at End of Year	<u>\$ --</u>	<u>\$ 7,836</u>	<u>\$ 7,836</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Children's Resource Center
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Interest	\$ --	\$ 7,624	\$ 7,624
Total Revenues	<u>--</u>	<u>7,624</u>	<u>7,624</u>
Expenditures:			
Capital Outlay:			
Contractual Services	242,312	114,543	127,769
Capital Outlay	<u>280,262</u>	<u>280,262</u>	<u>--</u>
Total Expenditures	<u>522,574</u>	<u>394,805</u>	<u>127,769</u>
Excess of Revenues Over (Under) Expenditures	(522,574)	(387,181)	135,393
Fund Balance at Beginning of Year	<u>522,574</u>	<u>522,574</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ 135,393</u>	<u>\$ 135,393</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Board of Health Center
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Interest	\$ 42	\$ 90	\$ 48
Total Revenues	<u>42</u>	<u>90</u>	<u>48</u>
Expenditures:			
Capital Outlay:			
Contractual Services	2,669	2,669	--
Capital Outlay	<u>5,152</u>	<u>5,152</u>	<u>--</u>
Total Expenditures	<u>7,821</u>	<u>7,821</u>	<u>--</u>
Excess of Revenues Over (Under) Expenditures	(7,779)	(7,731)	48
Fund Balances at Beginning of Year	5,421	5,421	--
Prior Year Encumbrances Appropriated	<u>2,400</u>	<u>2,400</u>	<u>--</u>
Fund Balance (Deficit) at End of Year	<u>\$ 42</u>	<u>\$ 90</u>	<u>\$ 48</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Community Development Block Grant
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$ 470,500	\$ 141,633	\$ (328,867)
Interest	200	41	(159)
Other	<u>--</u>	<u>315</u>	<u>315</u>
Total Revenues	<u>470,700</u>	<u>141,989</u>	<u>(328,711)</u>
Expenditures:			
Capital Outlay:			
Contractual Services	431,157	100,661	330,496
Capital Outlay	<u>94,283</u>	<u>94,283</u>	<u>--</u>
Total Expenditures	<u>525,440</u>	<u>194,944</u>	<u>330,496</u>
Excess of Revenues Over (Under) Expenditures	(54,740)	(52,955)	1,785
Fund Balances at Beginning of Year	54,828	54,828	--
Prior Year Encumbrances Appropriated	<u>1,114</u>	<u>1,114</u>	<u>--</u>
Fund Balance (Deficit) at End of Year	<u>\$ 1,202</u>	<u>\$ 2,987</u>	<u>\$ 1,785</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Fredericktown Sewer Project Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Total Revenues	<u> --</u>	<u> --</u>	<u> --</u>
Expenditures:			
Capital Outlay:			
Contractual Services	<u> 6,794</u>	<u> --</u>	<u> 6,794</u>
Total Expenditures	<u> 6,794</u>	<u> --</u>	<u> 6,794</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	(6,794)	--	6,794
Fund Balance at Beginning of Year	<u> 6,794</u>	<u> 6,794</u>	<u> --</u>
Fund Balance at End of Year	<u> --</u>	<u> 6,794</u>	<u> 6,794</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Highway Planning & Construction Grant Fund
Budget Basis
For the Year Ended December 31, 2002

	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Intergovernmental	\$2,890,370	\$2,255,398	\$ (634,972)
Total Revenues	<u>2,890,370</u>	<u>2,255,398</u>	<u>(634,972)</u>
Expenditures:			
Capital Outlay:			
Capital Outlay	<u>2,890,370</u>	<u>2,255,398</u>	<u>634,972</u>
Total Expenditures	<u>2,890,370</u>	<u>2,255,398</u>	<u>634,972</u>
Excess of Revenues Over Expenditures	--	--	--
Fund Balance at Beginning of Year	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balance at End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

Knox County, Ohio

Enterprise Funds

Enterprise Funds are used to account for the County's sewer and water and landfill operations . These operations are financed and operated in a manner similar to a private business enterprise. The intent of the County is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Following is a description of the enterprise funds:

Sewer District

To account for revenue from sewer services.

Landfill Development

To account for expenses relating to the closure and postclosure care of the landfill.

Knox County, Ohio

Combining Balance Sheet
All Enterprise Funds
 December 31, 2002

	<u>Sewer District</u>	<u>Landfill Development</u>	<u>Totals</u>
Assets:			
Current Assets:			
Cash and Cash Equivalents	\$ 900,143	\$ 62,714	\$ 962,857
Receivables:			
Accounts	188,779	-	188,779
Special Assessments	192,498	-	192,498
Materials and Supplies			
Inventory	120,799	-	120,799
Prepaid Items	3,956	-	3,956
Total Current Assets	<u>1,406,175</u>	<u>62,714</u>	<u>1,468,889</u>
Fixed Assets (Net of Accumulated Depreciation)			
	<u>2,355,195</u>	<u>143,164</u>	<u>2,498,359</u>
Total Assets	<u>\$ 3,761,370</u>	<u>\$ 205,878</u>	<u>\$ 3,967,248</u>
Liabilities:			
Current Liabilities:			
Accounts Payable	\$ 19,091	\$ -	\$ 19,091
Contracts Payable	7,004	-	7,004
Accrued Wages and Benefits	8,464	-	8,464
Compensated Absences Payable	18,422	-	18,422
Due to Other Governments	12,235	25	12,260
Deferred Revenue	4,145	-	4,145
Total Current Liabilities	69,361	25	69,386
Payable from Restricted Assets:			
OWDA Loans Payable	74,498	-	74,498
Non-Current Liabilities:			
Closure and Postclosure Care Costs	-	2,359,932	2,359,932
Total Liabilities	<u>143,859</u>	<u>2,359,957</u>	<u>2,503,816</u>
Fund Equity:			
Contributed Capital	3,475,683	143,164	3,618,847
Retained Earnings:			
Unreserved (Deficit)	141,828	(2,297,243)	(2,155,415)
Total Fund Equity	<u>3,617,511</u>	<u>(2,154,079)</u>	<u>1,463,432</u>
Total Liabilities and Fund Equity	<u>\$ 3,761,370</u>	<u>\$ 205,878</u>	<u>\$ 3,967,248</u>

Knox County, Ohio

Combining Statement of Revenues, Expenses, and
Changes in Fund Equity
All Enterprise Funds
For the Year Ended December 31, 2002

	Sewer District	Landfill Development	Totals
Operating Revenues:			
Charges for Services	\$ 805,916	\$ -	\$ 805,916
Tap-In Fees	102,734	-	102,734
Other Operating Revenues	20,941	-	20,941
Total Operating Revenues	<u>929,591</u>	<u>-</u>	<u>929,591</u>
Operating Expenses:			
Personal Services	401,841	-	401,841
Contractual Services	198,240	47,158	245,398
Materials and Supplies	50,378	-	50,378
Depreciation	85,015	-	85,015
Total Operating Expenses	<u>735,474</u>	<u>47,158</u>	<u>782,632</u>
Operating Income (Loss)	<u>194,117</u>	<u>(47,158)</u>	<u>146,959</u>
Non-Operating Revenues (Expenses)			
Tap-In Fees in excess of cost	177,035	-	177,035
Interest Income	15,364	-	15,364
Interest and Fiscal Charges	(3,134)	-	(3,134)
Sale of Fixed Assets	12,514	-	12,514
Other Non-Operating Expenses	(19,968)	-	(19,968)
Total Non-Operating Revenues (Expense)	<u>181,811</u>	<u>-</u>	<u>181,811</u>
Income (Loss) Before Operating Transfers	375,928	(47,158)	328,770
Operating Transfers - In	-	140,211	140,211
Operating Transfers - Out	(15,364)	-	(15,364)
Net Income	360,564	93,053	453,617
Retained Earnings (Deficit) at Beginning of Year	<u>(218,736)</u>	<u>(2,390,296)</u>	<u>(2,609,032)</u>
Retained Earnings (Deficit) at End of Year	<u>141,828</u>	<u>(2,297,243)</u>	<u>(2,155,415)</u>
Contributed Capital at Beginning of Year	<u>3,475,683</u>	<u>143,164</u>	<u>3,618,847</u>
Contributed Capital at End of Year	<u>3,475,683</u>	<u>143,164</u>	<u>3,618,847</u>
Total Fund Equity at End of Year	<u>\$ 3,617,511</u>	<u>\$ (2,154,079)</u>	<u>\$ 1,463,432</u>

Knox County, Ohio

Schedule of Revenues, Expenditures, and
Changes in Fund Equity - Budget and Actual
Sewer District Fund
Budget Basis
For the Year Ended December 31, 2002

	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Charges for Services	\$ 711,344	\$ 812,398	\$ 101,054
Tap-In Fees	293,656	279,769	(13,887)
Intergovernmental	50,000	8,543	(41,457)
Other Non-Operating Revenues	75	--	(75)
Other Operating Revenues	1,986	20,941	18,955
Sale of Fixed Assets	12,514	12,514	--
Total Revenues	<u>1,069,575</u>	<u>1,134,165</u>	<u>64,590</u>
Expenses:			
Personal Services	484,179	405,663	78,516
Contractual Services	764,786	265,354	499,432
Materials and Supplies	304,288	205,153	99,135
Other Non-Operating Expenses	31,000	20,043	10,957
Debt Service:			
Principal Retirement	1,698	1,698	--
Interest	3,134	3,134	--
Total Expenses	<u>1,589,085</u>	<u>901,045</u>	<u>688,040</u>
Excess of Revenues Over (Under) Expenses	(519,510)	233,120	752,630
Operating Transfers - Out	<u>(44,000)</u>	<u>--</u>	<u>44,000</u>
Excess of Revenues Over (Under) Expenses and Operating Transfers	(563,510)	233,120	796,630
Fund Equity at Beginning of Year	532,844	532,844	--
Prior Year Encumbrances Appropriated	<u>55,901</u>	<u>55,901</u>	<u>--</u>
Fund Equity at End of Year	<u>\$ 25,235</u>	<u>\$ 821,865</u>	<u>\$ 796,630</u>

Knox County, Ohio
Combining Statement of Cash Flows
All Enterprise Funds
For the Year Ended December 31, 2002

	<u>Sewer District</u>	<u>Landfill Development</u>	<u>Totals</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows From Operating Activities:			
Cash Received From Customers	\$ 915,132	\$ -	\$ 915,132
Cash Payments to Suppliers for Goods and Services	(304,261)	(118,170)	(422,431)
Cash Payments to Employees for Services	(405,663)	-	(405,663)
Other Operating Revenues	20,941	-	20,941
Net Cash Provided by (Used) for			
Operating Activities	<u>226,149</u>	<u>(118,170)</u>	<u>107,979</u>
Cash Flows From Noncapital Financing			
Activities:			
Operating Transfers - In	-	140,211	140,211
Operating Transfers - Out	(15,364)	-	(15,364)
Net Cash Provided by (Used for)			
Noncapital Financing Activities	<u>(15,364)</u>	<u>140,211</u>	<u>124,847</u>
Cash Flows from Capital and Related			
Financing Activities:			
Receipt of Special Assessments	8,543	-	8,543
Contributed Capital from Tap-In Fees	177,035	-	177,035
Acquisition of Capital Assets	(108,011)	-	(108,011)
Proceeds from Sale of Fixed Assets	12,514	-	12,514
Principal Paid on Ohio Water Development Loan Payable	(1,698)	-	(1,698)
Interest Paid on Debt	(3,134)	-	(3,134)
Net Cash Provided by Capital and Related			
Financing Activities	<u>85,249</u>	<u>-</u>	<u>85,249</u>
Cash Flows from Investing Activities:			
Receipts of Interest	15,364	-	15,364
Net Cash Provided by Investing			
Activities	<u>15,364</u>	<u>-</u>	<u>15,364</u>
Net Increase (Decrease) in Cash and Cash Equivalents	311,398	22,041	333,439
Cash and Cash Equivalents at Beginning of Year	588,745	40,673	629,418
Cash and Cash Equivalents at			
End of Year	<u>\$ 900,143</u>	<u>\$ 62,714</u>	<u>\$ 962,857</u>

Knox County, Ohio
Combining Statement of Cash Flows
All Enterprise Funds (Continued)
For the Year Ended December 31, 2002

	Sewer District	Landfill Development	Totals
Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	\$ 194,117	\$ (47,158)	\$ 146,959
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	85,015	-	85,015
Miscellaneous Nonoperating Revenues	-	-	0
Miscellaneous Nonoperating Expenses	(19,968)	-	(19,968)
Changes in Assets and Liabilities:			
Increase (Decrease) in Accounts Receivable	(20,739)	-	(20,739)
Increase in Due from Other Governments	26,911	-	26,911
Increase (Decrease) in Inventory	(24,237)	-	(24,237)
Increase (Decrease) in Prepaid Items	(531)	-	(531)
Increase in Deferred Revenue	310	-	310
Increase (Decrease) in Accounts Payable	(10,689)	-	(10,689)
Increase in Contracts Payable	(218)	-	(218)
Decrease in Closure and Postclosure Care Payable	-	(71,009)	(71,009)
Increase (Decrease) in Intergovernmental Payable	176	(3)	173
Increase (Decrease) in Accrued Wages and Benefits	(179)	-	(179)
Increase in Compensated Absences	(3,819)	-	(3,819)
Net Cash Provided by (Used for) for Operating Activities	\$ 226,149	\$ (118,170)	\$ 107,979

Knox County, Ohio

Internal Service Fund

The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments, on a cost-reimbursement basis. Following is a description of the internal service fund:

County Health Insurance Fund

The fund accounts for employee payroll deductions, as well as the County's share charged to the various funds which are distributed to a third party administrator to pay employee insurance claims.

Since there is only one Internal Service Fund and the level of control is no greater than presented in the Combined Financial Statements, no additional financial statements are presented here.

Knox County, Ohio

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

Agency Funds

These funds are purely custodial (assets equal liabilities) and thus do not involve the measurement of results of operations.

Community Mental Health

The fund accounts for money distributed to Moundbuilder's Guidance Center, a joint venture between Knox and Licking Counties which provides mental health services.

District Board of Health

The fund accounts for the District Board of Health for which the county auditor is the ex officio fiscal agent as required under Section 1515.23, Ohio Revised Code.

Soil and Water Conservation

The fund accounts for the funds of the Soil and Water Conservation District, established under Chapter 1515, Ohio Revised Code, for which the county auditor is the fiscal agent.

Corporation

The fund accounts for the portion of permissive taxes and local government money distributed to the City of Mount Vernon and villages in the County.

Local Government Fund

The fund accounts for money received from sales and rental of tangible personal property and selected services, distributed by the State of Ohio under Ohio Revised Code, Chapters 5739 and 5741. An alternative formula distributes all income to the County, City, Villages, Townships and Park Districts, for general operation.

Law Library

The fund accounts for fine money that the law library is entitled to receive.

Forfeited Land

The fund accounts for revenue received from property foreclosures. The money received is distributed to the appropriate funds to cover delinquent taxes and assessments.

(Continued)

Knox County, Ohio

Agency Funds (Continued)

Senior Citizens Fund

The fund was established to account for the one (1) mill voted levy in November, 2002. The money received is to be used to benefit any Knox County citizen age 60 or older, by providing meals or necessary services to maintain their home.

Library Support

The fund accounts for the collection of shared revenues from the State of Ohio that represents a portion of state income taxes which is returned to the County for use by district libraries and park districts. These monies are apportioned to the libraries on a monthly basis, allocated by the budget commission according to a formula.

Lodging Tax

The fund accounts for a 3% excise tax on lodging furnished to transient guests. The auditor's office receives 5% and the remaining 95% is distributed to the Knox County Visitors Bureau.

Cigarette Tax

The fund accounts for cigarette license money collected by the State and distributed by the County to certain local governments.

Manufactured Home Tax

The fund accounts for the collection of first and second half manufactured home taxes which are distributed to certain local governments.

County Court Agency Fund

The fund accounts for money received and distributed by the Court for the following court activities:

1. Clerk of Courts auto title fees, and legal (court related) receipts, and dispositions;
2. Probate Court related receipts and disbursements; and
3. Juvenile Court related receipts and disbursements.

Undivided Personal Property Tax

The fund accounts for the first and second half collections of tangible personal property taxes and delinquent tangible tax to be distributed following state statute to cities, villages, townships, and the County itself.

Estate Tax

The fund accounts for the collection of first and second half estate taxes which are distributed to the State and to certain local governments according to applicable State laws.

(Continued)

Knox County, Ohio

Agency Funds (Continued)

Undivided Real Estate Tax

The fund accounts for the first and second half collection of real estate taxes and special assessments from real estate owners. These collections are periodically apportioned to local governments in the County.

Regional Planning Commission Fund

The fund was established by Knox County Regional Planning Commission with revenue generated based on cents per capita from all municipalities and townships within Knox County. The expenses are to contract or plan such information and reports as may be necessary to operate the Commission.

Workers Compensation

The fund accounts for workers' compensation payments collected from local governments in the County and paid to the State.

Alimony and Child Support

The fund accounts for the collection of alimony and child support payments and the distribution of such monies to the court-designated recipients.

Inmate Fund

The fund accounts for monies held by the sheriff's department that belong to the prisoners. The money is distributed to the commissary or to the prisoner upon release.

Township

The fund accounts for the portion of permissive taxes, gasoline tax and local government money to be distributed to the townships in the County.

Payroll Fund

The fund accounts for payroll taxes and other related payroll deductions accumulated from the governmental and proprietary funds for distribution to other governmental units and private organizations.

Knox County, Ohio

Combining Balance Sheet
All Agency Funds
December 31, 2002

	Undivided Personal Property Tax	Undivided Real Estate Tax	All Other Agency	Totals
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$ 143,357	\$ 1,418,932	\$ 1,509,663	\$ 3,071,952
Cash and Cash Equivalents in Segregated Accounts	--	--	246,503	246,503
Receivables:				
Taxes	5,576,099	39,821,300	872,362	46,269,761
Accounts	--	--	5,767	5,767
Special Assessments	--	489,712	--	489,712
Due from Other Governments	--	--	2,629,538	2,629,538
Total Assets	<u>\$ 5,719,456</u>	<u>\$ 41,729,944</u>	<u>\$ 5,263,833</u>	<u>\$ 52,713,233</u>
Liabilities:				
Due to Other Funds	\$ --	\$ --	\$ 467,985	\$ 467,985
Due to Other Governments	5,719,456	41,729,944	2,565,809	50,015,209
Undistributed Monies	--	--	245,804	245,804
Due to Others	--	--	1,984,235	1,984,235
Deferred Revenue	--	--	--	--
Total Liabilities	<u>\$ 5,719,456</u>	<u>\$ 41,729,944</u>	<u>\$ 5,263,833</u>	<u>\$ 52,713,233</u>

Knox County, Ohio

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

	<u>Balance</u> <u>1/1/02</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/02</u>
Community Mental Health				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ --	\$ 646,357	\$ 646,357	\$ --
Due From Other Governments	<u>30,357</u>	<u>30,341</u>	<u>30,357</u>	<u>30,341</u>
Total Assets	<u>\$ 30,357</u>	<u>\$ 676,698</u>	<u>\$ 676,714</u>	<u>\$ 30,341</u>
<i>Liabilities</i>				
Due to Others	\$ --	\$ 676,698	\$ 646,357	\$ 30,341
Deferred Revenue	<u>30,357</u>	<u>--</u>	<u>30,357</u>	<u>--</u>
Total Liabilities	<u>\$ 30,357</u>	<u>\$ 676,698</u>	<u>\$ 676,714</u>	<u>\$ 30,341</u>
 District Board of Health				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 821,747	\$ 2,859,444	\$ 2,754,241	\$ 926,950
Total Assets	<u>\$ 821,747</u>	<u>\$ 2,859,444</u>	<u>\$ 2,754,241</u>	<u>\$ 926,950</u>
<i>Liabilities</i>				
Due to Others	\$ 821,747	\$ 2,859,444	\$ 2,754,241	\$ 926,950
Total Liabilities	<u>\$ 821,747</u>	<u>\$ 2,859,444</u>	<u>\$ 2,754,241</u>	<u>\$ 926,950</u>

(Continued)

Knox County, Ohio

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

	Balance 1/1/02	Additions	Reductions	Balance 12/31/02
Soil and Water Conservation				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 81,741	\$ 268,369	\$ 237,298	\$ 112,812
Total Assets	\$ 81,741	\$ 268,369	\$ 237,298	\$ 112,812
<i>Liabilities</i>				
Due to Others	\$ 81,741	\$ 268,369	\$ 237,298	\$ 112,812
Total Liabilities	\$ 81,741	\$ 268,369	\$ 237,298	\$ 112,812
 Corporation				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ 42,814	\$ 908,110	\$ 902,886	\$ 48,038
Due from Other Governments	212,579	122,110	212,579	122,110
Total Assets	\$ 255,393	\$ 1,030,220	\$ 1,115,465	\$ 170,148
<i>Liabilities</i>				
Due to Other Governments	\$ 255,393	\$ 1,030,220	\$ 1,115,465	\$ 170,148
Total Liabilities	\$ 255,393	\$ 1,030,220	\$ 1,115,465	\$ 170,148
 Local Government				
<i>Assets</i>				
Due from Other Governments	\$ 1,275,266	\$ 995,101	\$ 1,275,266	\$ 995,101
Total Assets	\$ 1,275,266	\$ 995,101	\$ 1,275,266	\$ 995,101
<i>Liabilities</i>				
Due from Other Funds	\$ 581,116	\$ 467,885	\$ 581,116	\$ 467,885
Due from Other Governments	694,150	527,216	694,150	527,216
Total Liabilities	\$ 1,275,266	\$ 995,101	\$ 1,275,266	\$ 995,101

(Continued)

Knox County, Ohio

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

	Balance 1/1/02	Additions	Reductions	Balance 12/31/02
Law Library				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ --	\$ 23,852	\$ 23,852	\$ --
Due From Other Governments	--	2,384	--	2,384
Total Assets	<u>\$ --</u>	<u>\$ 26,236</u>	<u>\$ 23,852</u>	<u>\$ 2,384</u>
<u>Liabilities</u>				
Due to Other Governments	\$ --	\$ 26,236	\$ 23,852	\$ 2,384
Total Liabilities	<u>\$ --</u>	<u>\$ 26,236</u>	<u>\$ 23,852</u>	<u>\$ 2,384</u>
Forfeited Land				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ --	\$ --	\$ --	\$ --
Total Assets	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
<u>Liabilities</u>				
Due to Other Funds	\$ --	\$ --	\$ --	\$ --
Total Liabilities	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Senior Citizens Fund				
<u>Assets</u>				
Taxes Receivable	\$ --	\$ 872,362	\$ --	\$ 872,362
Total Assets	<u>\$ --</u>	<u>\$ 872,362</u>	<u>\$ --</u>	<u>\$ 872,362</u>
<u>Liabilities</u>				
Due to Others	\$ --	\$ 872,362	\$ --	\$ 872,362
Total Liabilities	<u>\$ --</u>	<u>\$ 872,362</u>	<u>\$ --</u>	<u>\$ 872,362</u>

(Continued)

Knox County, Ohio

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

	Balance 1/1/02	Additions	Reductions	Balance 12/31/02
Library Support				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ --	\$ 1,890,973	\$ 1,890,973	\$ --
Due From Other Governments	1,201,484	748,939	1,201,484	748,939
Total Assets	\$ 1,201,484	\$ 2,639,912	\$ 3,092,457	\$ 748,939
<i>Liabilities</i>				
Due to Other Governments	\$ 1,201,484	\$ 2,639,912	\$ 3,092,457	\$ 748,939
Total Liabilities	\$ 1,201,484	\$ 2,639,912	\$ 3,092,457	\$ 748,939
 Lodging Tax				
<i>Assets</i>				
Equity in Pooled Cash and Cash Equivalents	\$ --	\$ 97,561	\$ 97,561	\$ --
Accounts Receivable	4,917	5,767	4,917	5,767
Total Assets	\$ 4,917	\$ 103,328	\$ 102,478	\$ 5,767
<i>Liabilities</i>				
Due to Other Funds	\$ 100	\$ 1,200	\$ 1,200	\$ 100
Due to Others	4,817	102,128	101,278	5,667
Total Liabilities	\$ 4,917	\$ 103,328	\$ 102,478	\$ 5,767

(Continued)

Knox County, Ohio

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

	Balance 1/1/02	Additions	Reductions	Balance 12/31/02
Cigarette Tax				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ --	\$ 3,036	\$ 3,036	\$ --
Total Assets	<u>\$ --</u>	<u>\$ 3,036</u>	<u>\$ 3,036</u>	<u>\$ --</u>
<u>Liabilities</u>				
Due to Other Governments	\$ --	\$ 3,036	\$ 3,036	\$ --
Total Liabilities	<u>\$ --</u>	<u>\$ 3,036</u>	<u>\$ 3,036</u>	<u>\$ --</u>
 Manufactured Home Tax				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 37,414	\$ 221,587	\$ 235,669	\$ 23,332
Total Assets	<u>\$ 37,414</u>	<u>\$ 221,587</u>	<u>\$ 235,669</u>	<u>\$ 23,332</u>
<u>Liabilities</u>				
Due to Other Governments	\$ 37,414	\$ 221,587	\$ 235,669	\$ 23,332
Total Liabilities	<u>\$ 37,414</u>	<u>\$ 221,587</u>	<u>\$ 235,669</u>	<u>\$ 23,332</u>
 County Court Agency Fund				
<u>Assets</u>				
Cash and Cash Equivalents in Segregated Accounts	\$ 269,970	\$ 7,839,041	\$ 7,863,207	\$ 245,804
Total Assets	<u>\$ 269,970</u>	<u>\$ 7,839,041</u>	<u>\$ 7,863,207</u>	<u>\$ 245,804</u>
<u>Liabilities</u>				
Due to Other Funds	\$ --	\$ 935,325	\$ 935,325	\$ --
Due to Other Governments	--	5,468,535	5,468,535	--
Undistributed Monies	269,970	245,804	269,970	245,804
Due to Others	--	1,489,482	1,489,482	--
Total Liabilities	<u>\$ 269,970</u>	<u>\$ 8,139,146</u>	<u>\$ 8,163,312</u>	<u>\$ 245,804</u>

(Continued)

Knox County, Ohio

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

	Balance 1/1/02	Additions	Reductions	Balance 12/31/02
Undivided Personal				
Property Tax				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 157,558	\$ 4,884,159	\$ 4,898,360	\$ 143,357
Receivables:				
Taxes	5,694,522	5,576,099	5,694,522	5,576,099
Total Assets	\$ 5,852,080	\$ 10,460,258	\$ 10,592,882	\$ 5,719,456
<u>Liabilities</u>				
Due to Other Governments	\$ 5,852,080	\$ 10,460,258	\$ 10,592,882	\$ 5,719,456
Total Liabilities	\$ 5,852,080	\$ 10,460,258	\$ 10,592,882	\$ 5,719,456
 Estate Tax				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 200,128	\$ 615,034	\$ 646,231	\$ 168,931
Total Assets	\$ 200,128	\$ 615,034	\$ 646,231	\$ 168,931
<u>Liabilities</u>				
Due to Other Governments	\$ 200,128	\$ 615,034	\$ 646,231	\$ 168,931
Total Liabilities	\$ 200,128	\$ 615,034	\$ 646,231	\$ 168,931

(Continued)

Knox County, Ohio

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

	Balance 1/1/02	Additions	Reductions	Balance 12/31/02
Undivided Real Estate Tax				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 1,862,588	\$ 32,996,224	\$ 33,439,880	\$ 1,418,932
Receivables:				
Taxes	34,934,739	39,821,300	34,934,739	\$ 39,821,300
Special Assessments	789,181	489,712	789,181	489,712
	<u>\$ 37,586,508</u>	<u>\$ 73,307,236</u>	<u>\$ 69,163,800</u>	<u>\$ 41,729,944</u>
Total Assets				
<u>Liabilities</u>				
Due to Other Governments	\$ 37,586,508	\$ 73,307,236	\$ 69,163,800	\$ 41,729,944
	<u>\$ 37,586,508</u>	<u>\$ 73,307,236</u>	<u>\$ 69,163,800</u>	<u>\$ 41,729,944</u>
Total Liabilities				
 Regional Planning Commission				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 32,089	\$ 9,706	\$ 7,388	\$ 34,407
	<u>\$ 32,089</u>	<u>\$ 9,706</u>	<u>\$ 7,388</u>	<u>\$ 34,407</u>
Total Assets				
<u>Liabilities</u>				
Due to Others	\$ 32,089	\$ 9,706	\$ 7,388	\$ 34,407
	<u>\$ 32,089</u>	<u>\$ 9,706</u>	<u>\$ 7,388</u>	<u>\$ 34,407</u>
Total Liabilities				

(Continued)

Knox County, Ohio

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

	Balance 1/1/02	Additions	Reductions	Balance 12/31/02
Workers' Compensation				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ --	\$ 107,567	\$ 58,912	\$ 48,655
Due from Other Governments	4,817	6,513	4,817	6,513
Total Assets	\$ 4,817	\$ 114,080	\$ 63,729	\$ 55,168
<u>Liabilities</u>				
Due to Other Governments	\$ 4,817	\$ 114,080	\$ 63,729	\$ 55,168
Total Liabilities	\$ 4,817	\$ 114,080	\$ 63,729	\$ 55,168
 Alimony and Child Support				
<u>Assets</u>				
Cash and Cash Equivalents in Segregated Accounts	\$ 6,340	\$ --	\$ 6,183	\$ 157
Accounts Receivable	--	--	--	--
Total Assets	\$ 6,340	\$ --	\$ 6,183	\$ 157
<u>Liabilities</u>				
Due to Others	\$ 6,340	\$ --	\$ 6,183	\$ 157
Due to Other Governments	--	--	--	--
Due to Other Funds	--	--	--	--
Total Liabilities	\$ 6,340	\$ --	\$ 6,183	\$ 157
 Inmate Fund				
<u>Assets</u>				
Cash and Cash Equivalents in Segregated Accounts	\$ 224	\$ 52,816	\$ 52,498	\$ 542
Total Assets	\$ 224	\$ 52,816	\$ 52,498	\$ 542
<u>Liabilities</u>				
Due to Others	\$ 224	\$ 52,816	\$ 52,498	\$ 542
Total Liabilities	\$ 224	\$ 52,816	\$ 52,498	\$ 542

(Continued)

Knox County, Ohio

Combining Statement of Changes in
Assets and Liabilities

All Agency Funds (Continued)

For the Year Ended December 31, 2002

	Balance 1/1/02	Additions	Reductions	Balance 12/31/02
Township				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ --	\$ 2,185,069	\$ 2,185,069	\$ --
Due from Other Governments	832,724	724,150	832,724	724,150
Total Assets	\$ 832,724	\$ 2,909,219	\$ 3,017,793	\$ 724,150
<u>Liabilities</u>				
Due to Other Governments	\$ 832,724	\$ 2,909,219	\$ 3,017,793	\$ 724,150
Total Liabilities	\$ 832,724	\$ 2,909,219	\$ 3,017,793	\$ 724,150
 Payroll Fund				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 141,458	\$ 11,740,411	\$ 11,735,331	\$ 146,538
Total Assets	\$ 141,458	\$ 11,740,411	\$ 11,735,331	\$ 146,538
<u>Liabilities</u>				
Due to Other Governments	\$ 137,769	\$ 5,069,039	\$ 5,061,267	\$ 145,541
Due to Others	3,689	6,671,372	6,674,064	997
Total Liabilities	\$ 141,458	\$ 11,740,411	\$ 11,735,331	\$ 146,538

(Continued)

Knox County, Ohio

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

	Balance 1/1/02	Additions	Reductions	Balance 12/31/02
All Agency Funds				
<u>Assets</u>				
Equity in Pooled Cash and Cash Equivalents	\$ 3,377,537	\$ 59,457,459	\$ 59,763,044	\$ 3,071,952
Cash and Cash Equivalents in Segregated Accounts	276,534	7,891,857	7,921,888	246,503
Receivables:				
Taxes	40,629,261	46,269,761	40,629,261	46,269,761
Accounts	4,917	5,767	4,917	5,767
Special Assessments	789,181	489,712	789,181	489,712
Due from Other Governments	3,557,227	2,629,538	3,557,227	2,629,538
 Total Assets	 \$ 48,634,657	 *****	 *****	 \$ 52,713,233
<u>Liabilities</u>				
Due to Other Funds	\$ 581,216	\$ 1,404,410	\$ 1,517,641	\$ 467,985
Due to Other Governments	46,802,467	102,391,608	99,178,866	50,015,209
Undistributed Monies	269,970	245,804	269,970	245,804
Due to Others	950,647	13,002,377	11,968,789	1,984,235
Deferred Revenue	30,357	--	30,357	--
 Total Liabilities	 \$ 48,634,657	 *****	 *****	 \$ 52,713,233

Knox County, Ohio

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for all fixed assets of the County, other than those fixed assets accounted for in the enterprise funds.

Knox County, Ohio

Schedule of Changes in General Fixed Assets
By Function
For the Year Ended December 31, 2002

Function	General Fixed Assets 1/1/02	Additions	Deletions	General Fixed Assets 12/31/02
General Government- Legislative and Executive	\$ 12,283,346	\$ 176,077	\$ 92,757	\$ 12,366,666
General Government- Judicial	357,891	5,893	15,858	347,926
Public Safety	7,762,137	7,824,095	6,648,279	8,937,953
Public Works	3,175,671	518,001	288,659	3,405,013
Health	1,684,313	--	--	1,684,313
Human Services	<u>4,444,226</u>	<u>3,664,560</u>	<u>2,082,311</u>	<u>6,026,475</u>
Total General Fixed Assets	<u>\$ 29,707,584</u>	<u>\$ 12,188,626</u>	<u>\$ 9,127,864</u>	<u>\$ 32,768,346</u>

Knox County, Ohio

Schedule of General Fixed Assets
By Function
December 31, 2002

<u>Function</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Vehicles</u>	<u>Machinery and Equipment</u>
General Government:					
Legislative and Executive	\$ 12,366,666	\$ 721,676	\$ 10,204,541	\$ 72,806	\$ 1,194,337
Judicial	347,926	17,044	50,032	--	92,792
Public Safety	8,937,953	13,056	7,322,491	501,723	812,276
Public Works	3,405,013	39,230	697,844	1,282,149	1,023,318
Health	1,684,313	5,006	1,634,621	33,748	5,580
Human Services	<u>6,026,475</u>	<u>134,247</u>	<u>4,360,057</u>	<u>584,894</u>	<u>308,283</u>
Total General Fixed Assets	<u>\$ 32,768,346</u>	<u>\$ 930,259</u>	<u>\$ 24,269,586</u>	<u>\$ 2,475,320</u>	<u>\$ 3,436,586</u>

Knox County, Ohio

Schedule of General Fixed Assets
By Source
December 31, 2002

General Fixed Assets:

Land	\$ 930,259
Buildings and Improvements	24,269,586
Vehicles	2,475,320
Machinery and Equipment	3,436,586
Computer Equipment	990,780
Construction in Progress	665,815
Total General Fixed Assets	<u>\$32,768,346</u>

Investments in General Fixed Assets From:

Federal Grants	\$ 853,782
State Grants	3,106,960
Local Grants	35,639
General Fund Revenues	3,549,309
Special Revenue Fund Revenues	13,419,314
Donations	1,661,012
Note or Bonded Debt	<u>10,142,330</u>
Total Investment in General Fixed Assets	<u>\$32,768,346</u>

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Knox County, Ohio

Governmental Fund Expenditures by Function*
Last Ten Years

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
General Government										
Legislative and Executive	\$ 2,330,220	\$ 2,701,636	\$ 2,961,383	\$ 3,750,034	\$ 3,162,637	\$ 3,480,262	\$ 3,622,019	\$ 4,511,051	\$ 4,860,082	\$ 5,028,221
Judicial	812,357	856,702	949,066	1,083,561	1,190,252	1,173,930	1,408,310	1,475,157	1,574,654	1,751,198
Public Safety	1,710,487	2,709,368	2,419,993	2,289,264	3,204,801	3,154,859	3,521,691	3,770,772	4,448,211	4,707,732
Public Works	4,020,063	3,654,953	3,865,581	4,054,634	3,451,947	4,399,121	4,501,269	4,469,823	4,086,178	3,976,355
Health	125,838	136,368	205,997	101,001	203,702	197,921	213,783	324,844	285,930	315,828
Human Services	7,950,457	7,621,164	7,646,885	7,144,420	7,194,904	8,059,404	10,272,419	11,335,746	13,297,236	12,088,490
Conservation - Recreation	486,328	1,461,510	3,048	-	-	1,119	34,000	-	-	2,000
Miscellaneous	-	-	-	-	7,427	-	-	-	-	-
Capital Outlay	1,201,298	575,048	738,978	2,021,456	3,779,089	2,758,478	1,878,619	7,583,661	10,181,363	5,902,503
Intergovernmental	42,275	44,098	899,600	-	-	-	-	-	-	-
Debt Service	902,624	778,842	677,745	710,438	609,426	2,112,784	924,734	794,175	1,335,364	1,423,953
Total	\$ 19,581,947	\$ 20,539,689	\$ 20,368,276	\$ 21,154,808	\$ 22,804,185	\$ 25,337,878	\$ 26,376,844	\$ 34,265,229	\$ 40,069,018	\$ 35,196,280

*Includes General, Special Revenue, Capital Projects, and Debt Service Funds.

Data for 1993 - 2002 reported in conformity with General Accepted Accounting Principles, on a modified accrual basis.

Source: Knox County Auditor

Knox County, Ohio
 Governmental Fund Revenues By Source*
 Last Ten Years

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Taxes	\$ 5,156,654	\$ 6,669,706	\$ 7,110,642	\$ 7,219,776	\$ 8,069,612	\$ 8,522,953	\$ 9,116,222	\$ 10,018,445	\$ 9,787,810	\$ 9,728,904
Charges for Services	2,103,514	2,225,965	2,190,183	2,149,562	2,330,594	2,463,225	2,584,716	2,544,910	2,836,828	2,983,209
Licenses and Permits	7,248	7,597	7,336	99,099	93,573	105,306	107,900	97,070	117,776	108,978
Fines and Forfeitures	76,058	80,201	84,269	54,560	68,278	95,066	63,819	72,799	66,336	82,526
Intergovernmental	11,457,558	10,944,557	9,997,114	10,229,401	10,817,066	12,163,802	12,480,135	17,532,176	20,708,975	17,011,475
Special Assessments	927,961	811,250	727,694	643,256	566,052	548,482	495,428	431,104	404,081	185,399
Interest	347,102	465,901	696,351	772,391	998,870	1,095,352	1,233,607	1,524,354	1,536,669	390,210
Other Revenue	237,666	203,341	177,711	237,821	274,978	875,929	1,195,467	742,434	1,070,933	1,246,036
Total Revenue	<u>\$ 20,313,761</u>	<u>\$ 21,408,518</u>	<u>\$ 20,991,300</u>	<u>\$ 21,405,866</u>	<u>\$ 23,219,023</u>	<u>\$ 25,870,115</u>	<u>\$ 27,277,294</u>	<u>\$ 32,963,292</u>	<u>\$ 36,529,408</u>	<u>\$ 31,736,737</u>

Note* Include General, Special Revenue, Capital Projects and Debt Service Funds.

1993-2002 amounts are presented in conformity with generally Accepted Accounting Principles (GAAP), on a modified accrual basis.

Source: Knox County Auditor

Knox County, Ohio

Property Tax Levies and Collections
Real and Public Utility Taxes
Last Ten Years

<u>Year</u>	<u>Current Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent Collected</u>	<u>Delinquent Taxes Billed</u>	<u>Delinquent Taxes Collected</u>	<u>Percent Collected</u>	<u>Total Tax Billed</u>	<u>Total Tax Collected</u>	<u>Percent of Total Collections to Total Tax Billed</u>
1993	22,723,039	19,276,842	85	1,723,039	932,845	54	24,446,078	20,209,687	83
1994	26,438,370	20,762,465	79	1,470,268	958,934	65	27,908,638	21,721,399	78
1995	26,141,060	21,954,289	84	1,398,164	912,459	65	27,539,224	22,866,748	83
1996	26,656,497	22,865,655	86	1,530,409	992,737	65	28,186,906	23,858,392	85
1997	31,522,008	27,490,905	88	1,493,541	1,026,567	69	33,015,549	28,517,472	87
1998	31,364,602	27,420,701	87	1,676,091	1,146,883	68	33,040,693	28,567,584	86
1999	31,961,868	28,067,376	88	1,693,940	1,175,186	69	33,655,808	29,242,562	87
2000	34,453,907	30,362,406	88	1,735,271	1,199,736	69	36,189,178	31,562,142	87
2001	38,343,899	33,508,523	87	1,975,628	1,269,430	64	40,319,527	34,777,953	86
2002	38,268,528	33,259,724	87	2,312,706	1,486,287	64	40,581,234	34,746,011	86

Source: Knox County Auditor

Knox County, Ohio

Tangible Personal Property Collection
Last Ten Years

<u>Collection Year</u>	<u>Billed</u>	<u>Collected</u>	<u>% Collected</u>
1993	2,728,458	2,694,034	98.74
1994	4,434,986	4,165,790	93.93
1995	4,861,873	4,504,533	92.65
1996	4,519,106	4,217,260	93.32
1997	5,799,290	5,350,060	92.25
1998	6,344,437	6,048,340	95.33
1999	6,383,118	5,966,422	93.47
2000	7,348,352	6,836,102	93.03
2001	5,761,706	5,364,289	93.10
2002	5,602,631	4,895,042	87.37

Source: Knox County Auditor

Knox County, Ohio

Assessed and Estimated Actual Value of Taxable Property
Last Ten Years

<u>Year</u>	<u>Real Property</u>		<u>Public Utility Property</u>		<u>Tangible Personal Property</u>		<u>Total</u>		<u>Assessed Value Ratio</u>
	<u>Assessed Value</u>	<u>Est. Actual Value</u>	<u>Assessed Value</u>	<u>Est. Actual Value</u>	<u>Assessed Value</u>	<u>Est. Actual Value</u>	<u>Assessed Value</u>	<u>Est. Actual Value</u>	
1993	359,954,330	1,028,440,942	46,676,090	93,352,180	86,658,355	346,633,420	493,288,775	1,468,426,542	33.59%
1994	407,351,520	1,163,861,486	49,347,880	140,993,943	80,242,072	320,968,288	536,941,472	1,625,823,717	33.03%
1995	412,847,070	1,179,563,057	50,306,220	143,732,057	82,023,829	328,095,316	545,177,119	1,651,390,430	33.01%
1996	430,425,560	1,229,787,314	48,540,240	194,160,960*	85,719,346	342,877,384	564,685,146	1,766,825,658	31.96%
1997	525,720,030	1,502,057,228	51,596,470	206,385,880*	79,247,471	316,989,884	656,563,971	2,025,432,992	32.42%
1998	534,117,710	1,526,050,600	48,977,520	195,910,080*	92,327,773	369,311,092	675,423,003	2,091,271,772	32.30%
1999	551,109,950	1,574,599,857	49,305,750	197,223,000*	101,276,407	405,105,628	701,692,107	2,176,928,485	32.23%
2000	664,738,940	1,899,254,114	48,861,590	195,446,360	105,495,451	421,981,804	819,095,981	2,516,682,278	32.54%
2001	693,254,250	1,980,726,429	46,058,540	184,234,160	123,908,932	495,635,728	863,221,722	2,660,596,317	32.44%
2002	707,735,890	2,022,102,543	38,253,630	153,014,520	97,689,164	390,756,656	843,678,684	2,565,873,719	32.88%

Source: Knox County Auditor

* Percentage change from 88% to 25%

Knox County, Ohio

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

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
County Units										
General Fund	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40	\$3.40
Mental Retardation	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
Children Services	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30	1.30
Community Mental Health	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Board of Health	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Total Rate	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70	8.70
In County School Districts										
Fredericktown	40.20	40.20	40.20	44.70	49.20	49.20	49.20	49.20	54.53	54.53
Danville	42.50	42.00	42.00	42.00	42.00	41.00	41.00	41.00	44.60	44.60
Mount Vernon	33.70	33.60	36.20	36.20	40.59	39.87	39.87	37.54	36.74	36.64
East Knox	41.40	40.70	45.70	45.50	45.50	45.50	44.00	42.70	47.20	43.40
Centerburg	40.80	39.70	39.70	39.50	39.20	34.10	34.10	34.10	41.16	41.16
Out Of County School Districts										
Clear Fork	42.60	46.80	46.60	46.60	46.20	52.38	52.38	50.80	50.20	50.20
Loudonville	38.90	37.90	37.90	37.40	37.10	36.80	36.40	35.70	35.70	35.60
North Fork	37.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	35.75	35.75
Northridge	32.60	40.30	40.30	40.30	47.17	39.47	39.20	38.10	37.85	37.80
Joint Vocational School Districts										
Knox County Career Center	4.70	4.70	4.70	4.70	6.40	6.40	6.40	6.40	6.40	6.40
Ashland JVS	3.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Licking JVS	2.80	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Villages										
Martinsburg	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Centerburg	7.40	7.40	7.40	7.40	7.40	7.40	7.40	7.40	7.40	7.40
Utica	3.50	1.80	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Brinkhaven	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Danville	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80	8.80
Fredericktown	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00

(Continued)

Knox County, Ohio

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

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Corporations										
Mount Vernon	\$ 3.20	\$ 4.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20	\$ 3.20
Townships										
Berlin	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Brown	6.40	6.40	6.40	6.90	6.40	6.40	6.40	6.40	6.65	6.65
Butler	3.50	3.50	3.50	3.50	3.50	3.85	3.85	3.85	3.85	3.85
Clay	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10	4.10
Clay - Martinsburg Village	3.10	2.80	3.10	3.10	3.10	3.10	3.10	3.10	3.10	3.10
Clinton	4.20	4.20	4.20	4.70	4.70	4.70	4.70	4.70	4.70	4.70
College	5.80	5.80	5.80	5.75	5.75	7.50	7.50	7.50	7.50	7.50
Harrison	3.50	3.50	3.50	3.50	3.55	3.55	3.55	3.55	3.15	3.15
Hilliar	7.20	7.20	7.20	7.20	9.20	8.70	8.35	7.70	5.70	5.70
Hilliar - Centerburg Village	5.80	5.80	5.80	8.30	7.80	7.30	6.95	6.30	4.30	4.30
Howard	3.40	3.40	3.40	3.40	3.60	3.60	3.60	3.60	3.60	3.60
Jackson	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	3.60	3.60
Jefferson	3.80	3.80	4.10	4.10	4.20	4.20	4.20	4.20	4.20	4.20
Liberty	4.10	4.10	4.10	4.80	4.80	4.80	4.80	4.80	2.80	2.80
Middlebury	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Milford	3.70	3.70	3.70	3.70	4.20	4.20	4.20	4.20	2.20	2.20
Miller	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90	3.90
Monroe	5.60	5.60	5.60	5.60	5.60	5.60	5.60	6.10	6.10	6.10
Morgan	4.90	4.90	4.90	4.90	4.40	4.40	4.40	4.40	4.40	4.40
Morgan - Utica Village	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Morris - Mount Vernon	3.50	3.50	3.50	4.00	3.50	3.50	3.50	4.00	4.00	4.00
Morris - Fredericktown	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Pike	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90	4.90
Pleasant	5.80	5.80	5.80	5.80	6.00	6.00	6.00	6.00	6.00	6.00
Union	3.30	3.30	3.30	3.30	3.70	3.70	3.50	3.50	3.50	3.50
Union - Brinkhaven Village	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Union - Danville Village	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20
Wayne	2.50	2.50	2.50	2.50	2.50	2.50	2.50	3.80	3.80	3.80

(Continued)

Knox County, Ohio

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

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Other Units										
Fredericktown Community Fire District	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Fredericktown Ambulance	0.60	0.60	0.60	0.60	1.00	1.00	1.00	1.00	1.00	1.00
Fredericktown Park	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Bladensburg Fire District	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50	4.50
Mount Vernon Public Library	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.70
Central Ohio Joint Fire District	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.50	5.50

Knox County, Ohio

Current Special Assessment Collections
Last Ten Years

<u>Year</u>	<u>Current Amount Billed</u>	<u>Current Amount Collected</u>	<u>Percent Collected</u>
1993	1,024,784	832,448	82
1994	916,368	743,146	81
1995	797,534	665,080	83
1996	728,141	568,619	78
1997	651,529	500,898	77
1998	623,161	498,536	80
1999	651,771	533,249	82
2000	684,638	541,867	79
2001	942,370	829,747	88
2002	813,084	678,576	83

Source: Knox County Auditor

Note: Special assessments collected on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types includes delinquent special assessments collected.

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

<u>Year</u>	<u>Population (1)</u>	<u>Assessed Value (2)</u>	<u>Gross Bonded Debt (3)</u>	<u>Debt Service Funds Available</u>	<u>Net Bonded Debt</u>	<u>Ratio of General Obligation Debt to Assessed Valuation</u>	<u>Net General Obligation Debt Per Capita</u>
1997 (4)	47,473	\$656,563,971	\$3,650,000	\$209,364	\$3,440,636	.52%	72.47
1998	47,473	675,423,003	3,575,000	245,613	3,329,387	.49%	70.13
1999	47,473	701,692,107	3,455,000	260,826	3,194,174	.45%	67.28
2000	54,500	819,095,981	3,335,000	498,148	2,836,852	.34%	52.05
2001	54,500	863,221,722	11,435,000	578,365	10,856,635	1.25%	199.20
2002	54,500	843,678,684	12,385,000	635,439	11,749,561	1.39%	215.59

(1) Source: U.S. Bureau of Census

(2) Source: Knox County Auditor

(3) Includes all general obligation bonded debt supported by property taxes

(4) There was no debt service fund prior to 1997

Knox County, Ohio
Ratio of Annual Debt Service Expenditures
For General Bonded Debt to Total General Governmental Expenditures
Last Five Years

<u>Year</u>	<u>Debt Principal</u>	<u>Debt Interest</u>	<u>Total Bonded Debt Service</u>	<u>General Governmental Expenditures</u>	<u>Ratio of Tax Supported Debt Service to General Governmental Expenditures</u>
1998	\$ 75,000	\$150,580	\$225,580	\$25,337,898	.89%
1999	120,000	178,210	298,210	26,376,844	1.13%
2000	120,000	173,230	293,230	34,208,414	.85%
2001	125,000	307,957	432,957	40,061,907	1.08%
2002	410,000	539,617	949,617	35,196,280	2.69%

Knox County did not have any General Obligation Debt from 1993-1997. Principal and interest payments began in 1998 for the Corporate Center and Children’s Resource Center. Interest payments began in 2001 for the Board of Health Center and the Correctional Facility and 2002 for the JFS Training Center. Principal payments began in 2002 for the Board of Health Center and the Correctional Facility.

Knox County, Ohio

Computation of Legal Debt Margin
December 31, 2002

	<u>Total Debt Limit(1)</u>	<u>Total Unvoted Debt Limit(2)</u>
Assessed Value of County, 2002	\$843,678,684	\$843,678,684
Debt Limitation	19,591,967	8,436,786
Total Outstanding Debt:		
Special Assessments Bonds	445,000	445,000
General Obligation Bond	<u>12,385,000</u>	<u>12,385,000</u>
Total	<u>12,830,000</u>	<u>12,830,000</u>
Exemptions:		
Other	6,360,000	6,360,000
Special Assessment Debt	<u>445,000</u>	<u>445,000</u>
Total	<u>6,805,000</u>	<u>6,805,000</u>
Net Debt	<u>6,025,000</u>	<u>6,025,000</u>
Total Legal Debt Margin (Debt Limitation Minus Net Debt)	<u>\$ 13,566,967</u>	<u>\$ 2,411,786</u>

(1) The Debt Limitation is calculated as follows:

3% of first \$100,000,000 of assessed value	\$ 3,000,000
1 1/2% of next \$200,000,000 of assessed value	3,000,000
2 1/2% of amount of assessed value in excess of \$300,000,000	<u>13,591,967</u>
	<u>\$ 19,591,967</u>

(2) The Debt Limitation equals 1% of assessed value.

Source: Knox County Auditor

Knox County, Ohio

Computation of Direct and Overlapping Debt
December 31, 2002

<u>Political Subdivision</u>	<u>Net General Obligation Debt</u>	<u>Percent Applicable To County(1)</u>	<u>Amount Applicable To Knox County</u>
Knox County	\$12,615,000	100.00%	\$12,615,000
All Townships wholly within County	494,443	100.00%	494,443
All Cities wholly within County	--	100.00%	--
All School Districts wholly within County	19,052,000	100.00%	19,052,000
Clear Fork School District	<u>8,228,510</u>	5.90%	<u>485,482</u>
Totals	<u>\$40,389,953</u>		<u>\$32,646,925</u>

(1) Percentages were determined by dividing the assessed valuation of the political subdivision located within the boundaries of the County by the total assessed valuation of the political subdivision. The valuations used were for the 2001 collection year.

Source: Knox County Auditor

Knox County, Ohio

Construction, Bank Deposits and Property Values
Last Ten Years

<u>Year</u>	<u>New Construction</u>			<u>Bank Deposits</u>	<u>Real Property Value</u>			
	<u>Agriculture Residential</u>	<u>Commercial Industrial</u>	<u>Total New Construction</u>		<u>Agriculture Residential</u>	<u>Commercial Industrial</u>	<u>Public Utility</u>	<u>Tax Exempt</u>
1993	5,650,950	2,126,940	7,777,870	363,989,000	300,990,190	58,664,670	299,470	60,077,080
1994	8,273,880	6,077,130	14,351,010	361,132,000	341,165,170	65,877,290	309,060	57,948,100
1995	8,217,950	2,114,250	10,332,200	385,303,000	348,629,140	63,948,790	269,140	62,380,750
1996	11,625,150	5,131,450	16,756,600	408,033,000	360,486,950	69,666,910	271,700	63,689,540
1997	17,859,270	3,757,150	21,616,420	470,611,000	446,640,730	78,789,900	289,400	79,408,440
1998	12,286,460	2,759,310	15,045,770	467,925,000	457,857,530	75,960,450	299,730	85,912,490
1999	15,444,970	1,352,550	16,797,520	471,900,000	472,342,790	78,472,720	294,440	89,620,970
2000	17,160,020	3,331,730	20,491,750	487,758,000	582,346,820	82,114,730	277,390	89,269,500
2001	19,755,590	7,824,790	27,580,380	519,468,000	601,110,340	92,011,350	132,560	91,639,600
2002	19,025,500	1,162,320	20,187,820	519,459,000	619,782,050	87,828,790	125,050	102,752,100

Source:
Knox County Auditor
Federal Reserve Bank - Cleveland, Ohio

Knox County, Ohio

Ten Principal Taxpayers
December 31, 2002

<u>Taxpayer</u>	<u>Type</u>	<u>Assessed Valuation</u>	<u>Percent of Total County Assessed Valuation</u>
Rolls Royce Energy Systems	Business	\$19,955,230	2.37%
Ohio Power Company	Public Utility	15,629,540	1.85%
Ariel Corporation	Business	11,625,010	1.38%
FT Precision Inc	Business	9,354,750	1.11%
United Telephone Company	Public Utility	9,325,740	1.11%
Cooper Cameron Corp.	Business	8,515,490	1.01%
Weyerhaeuser Corporation	Business	5,945,990	.70%
Licking Rural Electrification	Public Utility	5,592,290	.66%
Owens Corning	Business	5,247,390	.62%
Columbia Gas Transmission	Public Utility	<u>4,642,740</u>	<u>.55%</u>
Total Assessed Valuation		<u>\$ 95,834,170</u>	<u>11.36%</u>

Source: Knox County Auditor's Office

Knox County, Ohio

Demographic Statistics
December 31, 2002

Annual Average Unemployment Rates

2002	6.7%
2001	4.9%
2000	5.3%
1999	4.2%
1998	5.5%
1997	4.4%
1996	5.1%
1995	5.7%
1994	5.2%
1993	6.1%

Employment - 2002 Annual Averages

Total Civilian Labor Force	26,500
Total Employed	24,800
Total Unemployed	1,700
Unemployment Rate	6.7%

Employment by Sector, 2000

	<u>Number</u>	<u>Percent</u>
Manufacturing	4,542	25.99%
Wholesale and Retail Trade	3,799	21.74%
Services	4,372	25.01%
State and Local Government	2,705	15.48%
Finance, Insurance, Real Estate	533	3.05%
Transportation and Public Utilities	429	2.45%
Construction	755	4.32%
Agriculture, Forestry, Fisheries and Mining	343	1.96%
Total	<u>17,478</u>	<u>100.00%</u>

<u>Year</u>	<u>Population</u>	<u>Public * School Enrollment</u>
2002	54,500	8,177
2001	54,500	8,330
2000	54,500	8,518
1999	51,702**	8,267
1998	52,498**	8,391
1997	51,702	8,248
1996	51,702	8,118
1995	48,478	8,121
1994	48,478	7,898
1993	47,865	8,042

(Continued)

Knox County, Ohio

Demographic Statistics (Continued)
December 31, 2002

Households by Income

	Households
\$0 to \$9,999	2,926
\$10,000 to \$24,999	5,811
\$25,000 to \$49,999	6,244
\$50,000 to \$99,999	2,066
\$100,000 or more	192

Per Capita Income

\$20,850

Employed Persons 16 Years and Over by Class of Worker

	Total
Private Wage and Salary	16,160
Federal Government	318
State Government	1,186
Local Government	1,493
Self-Employed	1,796
Unpaid Family Worker	165

Source: * Knox County Board of Education
** Chamber of Commerce
All Other Information Obtained From the Ohio
Data Users Center.

Knox County, Ohio

Miscellaneous Statistics
December 31, 2002

Date of Incorporation 1808

County Seat Mount Vernon

Area - Square Miles 532

Location

Central Ohio (including the geographical center of the state)
49 miles from Columbus and 99 miles from Cleveland.

Climate

Four season temperate, classified continental. Moderately warm summers; reasonably cold winters. Average annual rainfall 40.61". Average annual snowfall is 24.94". Growing season averages 147 days.

Number of Political Subdivisions Located in the County

Cities	1
Villages	6
Townships	22
School Districts	5
Vocational School	1
Universities - Kenyon College, established 1824	
Mount Vernon Nazarene University, established 1966	

Homestead Exemptions

1,120 exemptions granted, average reduction in taxable value \$3,859

Road Mileage (1)

U.S. Highways	59.05
State Highways	182.30
County Roads	401.73
Township Roads	622.80

Manufactured Homes

1,239 manufactured homes, taxable value \$2,742,110

Communications (3)

Mount Vernon News (circulation - 10,000)
A weekly paper is published in Fredericktown

Industrial Sites

300 Acre Industrial Park

Voter Statistics, Election of November 2002 (2)

Number of Registered Voters	31,964
Number of Voters, Last General Election	3,346
Percentage of Registered Voters Voting	10%

(Continued)

Knox County, Ohio

Miscellaneous Statistics (Continued)
December 31, 2002

Knox County covers 334,720 acres.

252,283 acres are currently under Current Agriculture Use Value
Program

Livestock Numbers on Farms (4)

Beef cattle and calves	26,423
Dairy cattle and heifers	5,927
Hogs and pigs	24,599
Stock sheep and lambs	6,172

Number of Acres in Crops (4)

Corn	53,553
Soy Beans	40,996
Wheat	6,072
Oats	1,649
Hay	26,954

Income From Agricultural Sales (4)

Livestock and Livestock Products	\$25,965,000
Crops	28,573,000
Dairy and Milk	\$10,988,000
Cattle and Calves	5,313,000
Hogs and Pigs	4,322,000
Poultry and Other Livestock	5,342,000
Corn	12,786,000
Soybeans	10,247,000
Wheat	938,000
Oats and Hay	1,601,000
Other Crops	3,001,000

Knox County has 1,103 farms with an average size of 187 acres.

Sources:

- (1) Knox County Engineer
- (2) Knox County Board of Elections
- (3) Mount Vernon News
- (4) Ohio Cooperative Extension Service

All other information obtained from County records.

Knox County, Ohio

The Clerk of the County Commissioners performed the duties of the County Auditor until 1820 when the County organized the Auditor's position. The following were the Knox County Auditors starting in 1820.

W. Y. Farquhar	1820-1827
Alexander Elliott	1827-1829
Marvin Tracy	1829-1835
Simon B. Kenton	1835-1841
Killian Winne	1841-1847
Thomas Winne	1847
Merrett M. Beam	1847-1851
Benjamin F. Smith	1851-1855
John Lamb	1855-1859
Samuel W. Farquhar	1859-1863
John D. Thompson	1863-1865
Alexander Cassil	1865-1869
Samuel W. Farquhar	1869-1871
John W. Ewalt	1871-1875
Alexander Cassil	1875-1880
John H. Stevens	1880-1883
Curtis W. McKee	1883-1890
John M. Blocher	1890-1896
William A. Wander	1896-1902
Archie C. Collins	1902-1906
Charles A. Mitchell	1906-1909
Irvin Young	1909-1913
Walter M. Riley	1913-1917
A. D. Rinehart	1917-1923
Howard McFarland	1923-1927
Howard N. Mendenhall	1927-1935
Arthur H. McMillan	1935-1943
John W. McLarnan	1943-1949
Gail W. Porterfield	1949-1956
W. Glenn Hess	1956-1967
Paul W. Davis	1967-1975
J. William Moody	1975-1991
Robert L. Jones	1991-1995
Margaret Ann Ruhl	1995-present



**Auditor of State
Betty Montgomery**

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Columbus, Ohio 43216-1140

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800-282-0370

Facsimile 614-466-4490

FINANCIAL CONDITION

KNOX 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
AUGUST 5, 2003**